

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 9, 1934

AMERICAN STATES INSURANCE COMPANY INDIANAPOLIS, INDIANA

Financial Statement

June 30, 1934

ASSETS

Cash.....	\$	65,249.87
U. S. Government Bonds.....		603,392.38
State and Municipal Bonds.....		22,943.39
Public Utility Bonds.....		136,267.05
Industrial Bonds.....		11,975.28
Railroad Bonds.....		3,589.66
Stocks (Market).....		22,063.75
First Mortgage Loans.....		20,850.00
Real Estate.....		2,100.00
Accrued Interest.....		7,872.79
Reinsured Losses Receivable.....		1,963.82
Reinsured Adj. Exp. Receivable.....		504.00
Premiums in Course of Collection (Under 90 Days)....		275,916.28
		<u>\$1,174,688.27</u>

LIABILITIES

Reserve for Unearned Premiums.....	\$417,384.91
Reserve for Claims.....	244,511.74
Reserve for Adjustment Expense.....	3,507.86
Accounts.....	3,550.46
Reinsurance.....	1,276.19
Accrued Taxes.....	14,337.59
Accrued Agents' Commissions.....	72,153.95
*Contingent Reserve.....	17,965.57
Surplus to Policyholders.....	400,000.00
	<u>\$1,174,688.27</u>

*Contingent reserve sufficient to adjust all securities to actual market value
June 30, 1934

Cludley R. Gallahue

President

Edward F. Gallahue

Secretary and Treasurer

AUTOMOBILE INSURANCE EXCLUSIVELY

**Cash and
Government
Bonds
Alone Over
100% of
Insurance
Reserves**

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- Why not add "printed salesmen" to your agency staff? They are inexpensive, they are effective and they keep your prospects and policyholders informed of all the coverages you handle, all the time.
- Many of your policyholders are unfamiliar with the lines you write. Why keep it a secret? You can't visit all your policyholders or prospects once a week—or once a month—but "printed salesmen"—advertising—can.
- Western and Southern Agents use these valuable assistants and profit from the use. Western and Southern advertising plans, campaigns and prepared pieces are attractive—are forceful—are productive.
- Send for samples TODAY—for your own satisfaction.

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THE WESTERN & SOUTHERN FIRE INS. CO.
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● ALL lines of insurance are easier to sell with Western and Southern folders. Forceful, successful and productive of results. Why not send for samples? TODAY.

The National Underwriter

Thirty-Eighth Year—No. 32

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 9, 1934

\$4.00 Per Year, 20 Cents a Copy

Auto Production Drive Is Planned

Companies Will Emphasize Sales Features in the New Manuals

TO PUSH COLLISION

Sale of Comprehensive Forms and Effort to Insure Older Cars for Collision Will Be Urged

Production departments of the companies are busy these days getting out literature suggesting to agents how they might capitalize on a number of the changes contained in the new automobile manuals, which are being distributed this week.

Emphasis is being placed on the fact that automobiles are being classified into four age groups for the purpose of determining the collision rate. That was done in an attempt to make collision insurance more attractive to owners of older cars. Many owners are inclined to purchase collision insurance during the first year or two of the life of an automobile, but to drop it thereafter. Automobiles heretofore have been classified only into two age groups so far as collision insurance is concerned but under the new classification plan, the cost of collision insurance drops considerably as the car gets older, so the companies will urge agents to make an attempt to have automobile owners retain collision coverage during the life of the car.

Comprehensive Policies

The companies will also seek to stimulate the sale of comprehensive policies, now that their arrangement has been so vitally changed. The new comprehensive policy is in the nature of an all-risk contract, the perils not being specified. Collision coverage may be omitted entirely or any one of the various forms of collision insurance may be purchased. If collision is purchased on the deductible plan, the deductible applies to collision only and not to all other losses. The companies feel that the agents can add to their automobile premiums considerably over a period of time, by pushing the comprehensive policy. The cost is the price for the fire, theft (and collision if desired) plus twice the tornado rate. By selling the comprehensive policy, the agent can get an extra dollar, two or three from the assured, which at the end of the year should make his automobile account look more impressive.

Because of the radical changes in the rating procedure so far as collision is concerned, it is impossible to estimate the net change in rates for this coverage that the new manual will produce. In the first place, there are the four age groups instead of the two. Then the rate is based upon the list price of the automobile instead of upon the particular

(CONTINUED ON PAGE 31)

Eastern Executive Rises in Defense of the I. U. B.

A defense of the Interstate Underwriters Board against the vociferous adverse criticism which has been heard lately, has been entered by one of the important eastern executives, in close touch with the situation.

The fear has been expressed that the I. U. B. tendency is constantly to broaden its scope, some critics on this score pointing to the change in the rules to permit the writing of wholesale as well as retail lumber yards. The I. U. B. apologist points out that it was found practically impossible to distinguish between retail and wholesale yards and granting permission to insure wholesale yards under I. U. B. forms was to correct that condition and to attempt to capture for stock companies and their agents some \$5,000,000 in premiums now written by the lumber mutuals and reciprocals.

Adheres to Principles

Although the I. U. B. has taken in a few classes which were not in the first rule book, it has adhered religiously to the general class it was set up to govern, that is stocks of merchandise, furniture and fixtures in multiple location risks.

To the charge that the companies have "run wild" in acceptance under I. U. B. forms of risks of practically any class, the I. U. B. spokesman finds that the New York admitted companies in 1932 wrote only \$4,591,030 in general cover and multiple location premiums at a loss ratio of 55.8 percent and at an average rate of 46.2 percent.

I. U. B. critics have charged that the expense of handling general cover contracts is very large. The I. U. B. spokesman states that the expense to his company has been 6.08 percent less on this class than that on its business as a whole.

Rate Reduction Small

The average reduction from actual average 100 percent specific rates of all I. U. B. business has never exceeded 8 percent and in several years has been 4 percent or less, he states.

This official takes up the Schenley liquor loss at Lexington, Ky. When an I. U. B. policy is written by a company the daily report is sent through the I. U. B. for stamping and in most territories specific policies are sent to the stamping office. All reports of value go to the I. U. B. for stamping. If the form calls for reports to be filed on the 15th of the month and the I. U. B. fails to get them by the first day of the next month, a notice is sent to the company asking for the report. If the report becomes 30 days overdue the line is placed in violation.

The Schenley forms, he states, were incomplete in some cases as to the number of days permitted for reporting, for the good reason that it had been impossible for the assured to determine the valuation basis for \$22,000,000 worth of whiskey, some of which was irreplaceable, some to be used for blending and some new whiskey for storage and sale in years to come. The matter was under negotiation at the time of loss and the

statement that the reports of value had not been called for is incorrect.

The rate on the Schenley line was the actual average of the 100 percent coinsurance rate with no further credit, he stated.

As to the contention of some critics that no credit should be given other than credit for carrying insurance to value, the company official states that the New York department ruled that credit must be given to avoid illegal unfair discrimination because of the lowered cost of doing business on a nation-wide basis as against purely local business and because of an expected better underwriting result.

The I. U. B. spokesman claims several advantages to the assured for a general cover contract. There is a single policy for all except his own manufacturing locations, automatic coverage is provided for fluctuating values in new locations, there are no short rate penalties, there is one original premium payment and one readjustment instead of many throughout the country, there is no danger of non-concurrencies. It is a form designed to insure honest men liberally, free from technicalities. It gives opportunity of advice from a recognized, nationally operating firm of certified public accountants on proper valuation for insurance purposes.

Why I. U. B. Is Needed

The advantages and necessities for a regulatory body such as the I. U. B., he points out. There is an equal chance for any producer to compete for the business. It provides a check up on the writing of business which crosses state lines and rating jurisdiction for which there is no other method of checking. There is a check up on monthly reports of value as well as daily reports. It provides regulation of commission to prevent the powerful broker getting more than the smaller agent. There is a big saving in expense in arriving at average rates through cooperative efforts on behalf of all. It provides a method of legally reconciling procedure in various rating jurisdictions with widely varying rules. It provides a cooperative source of statistics and information. It is a weapon to compete with non-agency, non-affiliated and non-admitted companies in a class on which they have specialized for years.

Been Written for Years

He recalls that general cover contracts and floaters have been written in this country for 25 years. The Globe & Rutgers at one time wrote \$5,000,000 in premiums on that class. "The writing of floaters by the Public Fire was a nation-wide scandal," he stated. "One company today, well known and most highly respected wrote conservatively \$1,000,000 in premiums, mostly under marine forms, before it joined the church."

The greatest thorn in the flesh today, according to this executive, is the Pearl, which he does not identify by name but describes in such terms as are unmistakable. In New York City, he said, where

(CONTINUED ON PAGE 9)

Realtors Seeking U. S. Investigation

Letter to Attorney-General Cummings Lays Charge Against New Orleans Exchange

PART-TIME CONTROVERSY

Violation of 14th Amendment Charged in Alleged Effort of Agents to Exclude Group.

Open hostilities on the nearly nationwide question of whether part-time producers should be eliminated from the business has broken out in New Orleans between insurance agents and real estate men.

The Real Estate Board of New Orleans in a letter to Attorney-General Homer S. Cummings of the United States asked for a "complete investigation" of operations of the New Orleans Insurance Exchange. The board charges that the exchange has objects and purposes in "direct violation" of the 14th Amendment. This action was taken under instructions in a resolution adopted by the realtors' board.

The letter points out that the code of fair practices for the real estate brokerage business makes the selling of insurance permissible.

Worst Breach in Country

So far, it is said, there is no other territory in the United States where the breach between insurance agents and brokers has opened so wide as in New Orleans.

"We appeal to the Attorney-General of the United States of America," the realtors' letter relates, "for a full and complete investigation of the practices of the New Orleans Insurance Exchange in depriving real estate brokers, by their methods, of acting as insurance agents, all of which is in direct violation of the anti-trust laws of our government, and we urge relief by the United States government of said restraint of trade activities by the New Orleans Insurance Exchange."

When the exchange was organized 20 years ago all who sold insurance either on full or part time basis were admitted. Later a by-law change provided that only full timers could affiliate though charter members could remain. The real estate men can sell insurance provided they secure a company not associated with the local exchange, but they cannot join the exchange. It is said there is no law against their selling insurance provided they pay license fees.

The exchange will pay no attention to the realtors' complaint as it is believed to be amply protected in its rights by law, court decisions and charter.

Involves \$500,000,000 Premiums

The National Association of Real Estate Boards in convention at Minneapolis in June adopted several resolutions relating to this controversy, one pointing out that the realty brokerage industry

(CONTINUED ON PAGE 30)

Good Progress Is Made in Melting Frozen Accounts

BETTER THAN WAS EXPECTED

Estimate 25 Percent of Balances Over 90 Days at End of 1933 Now Paid

Reviewing the progress made since Jan. 1 of this year in getting distressed agencies back on their feet and liquidating frozen accounts, a pretty fair estimate seems to indicate that about 25 percent of the balances that were more than 90 days old at the end of 1933 have now been liquidated. The manner in which such agencies are working out of their difficulties exceeds what many executives anticipated a year or so ago. Most companies find that the accounts which now seem hopeless are pretty largely those of agencies, which have been delinquent for years, in boom times and in depression periods. Most of the agents who were caught in bank failures or who were swept away from their moorings because of boom time enthusiasm and extravagance, but who have since sought conscientiously to get back to port, are being rehabilitated in gratifying style.

Most of the agencies, which are working out of their difficulties, are doing so out of current earnings. They have placed themselves or been placed on a more conservative scale of living and business operations and are gradually paying off their indebtedness to the companies. A good many agents have entirely squared their accounts with the companies.

Not Relaxing Efforts

Company officials are not relaxing their efforts to get old accounts liquidated. Pressure is brought on committees of field men, where there is an indication that progress is not being made. The problem has been narrowed down now, because there are very few agents becoming currently delinquent. Each company has a very good knowledge of its problems, which it did not have when the banks were failing and the depression in one way and another was catching up with agents who had become overexpanded. In several companies the job of supervising the liquidating of frozen accounts is assigned to one man, who can develop pretty intimate knowledge of the situation and bring pressure and make intelligent suggestions.

The observation is made that companies and field men are able these days to approach agents on their financial situation without embarrassment and discuss the problem in a straightforward way. In times past, agents were likely to be indignant if any inquiry were made about their financial situation and the mine run of field men was reluctant to bring the subject up because so many agents were touchy on this point. Now most of the agents realize that companies have a legitimate reason to investigate and make inquiries and the companies find that discussions can be held on a businesslike plane.

Not much is being salvaged from the accounts of those agents, who abandoned their business to the companies, and went home to the folks. Some companies are following these ex-agents closely, however, with judgments on the chance that some day they may come into funds.

Although there may be a reduction of 25 percent in the amount of frozen balances, as compared with the end of last year, some of the managers point out that the experience is pretty spotty. They are inclined to give credit and place blame for results on the chairmen of the various committees and the man actually in charge of nursing a distressed agency. Some field men have produced remarkably good results while others have been negligent. The managers con-

Hendon Chubb to Speak at Grand Rapids Meet

NEW YORK, Aug. 8.—An accession to the already strong list of those scheduled to speak at the annual meeting of the National Association of Insurance Agents at Grand Rapids the week of Sept. 17 is Hendon Chubb, president of the Federal of Jersey City, and head of the important marine insurance firm of Chubb & Son, New York. His subject will be "The History and Development of Marine and Inland Marine Insurance." Mr. Chubb is one of the most widely known and highly regarded men in marine underwriting and by virtue of the long and intimate acquaintance with the business is well qualified to discuss the subject assigned to him. Mr. Chubb is United States manager of the Sea of London, manager of the marine department of the London Assurance, Alliance Assurance, Marine of London and Merchants Fire of New York. He is chairman of the executive committee of the United States Guarantee, and a director of the Prudential and Manhattan F. & M.

At the gathering of state officers during the convention three important matters will be discussed by leaders in the business. D. G. Foreman of Fort Worth, secretary Texas Association of Insurance Agents, will tell of the best method of solicitation of members by direct mail, illustrating his points by material used in his state. F. C. Colridge, executive secretary California Association of Insurance Agents, will talk on "regional meetings, while "State Association Legislative Committee Work" will be the subject of P. H. Midyette, president of the Florida Agents Association.

tinue to keep prodding those committees which seem to be inactive.

The observation is made that those agents who have been waiting for an upturn in business to enable them to pay off old balances are not making progress in that direction. It is the agent, who accepts conditions and undertakes to pay off his debts out of current earnings who is getting in the clear again.

E. E. Littlepage, a local agent at Girard, Ill., is dead. He had been in failing health for several years but had only been confined to his home for a few days. Besides running his local agency, Mr. Littlepage was secretary of the Macoupin Homestead Loan Association and active in church work.

THE WEEK IN INSURANCE

United States investigation of New Orleans Exchange practices asked by Real Estate Board in letter to U. S. Attorney-General Cummings charging violation of 14th Amendment in rule barring realtors as members. Page 1

Washington supreme court holds insurance department cannot pass on adequacy of rates or prohibit deviation from established rates except when a rate war is actually in progress. Page 3

Spokesman for I. U. B. makes vigorous defense of the organization in response to criticism that has been heard lately. Page 1

Home office production departments are preparing to launch automobile sales offensive, emphasizing sales features in new auto manual. Page 1

Good progress is reported in reducing frozen balances outstanding at end of 1933. Page 2

Greater uniformity nation-wide in rating procedure is advocated by Manager Branscomb of Idaho rating bureau. Page 2

Activity of agents brings out more congressional protests on CCC cotton insurance action. Page 2

Increase in automobile accident frequency is causing much anxiety among underwriters. Page 23

Congressional Protests on CCC Cotton Move Lodged

RESULT OF AGENTS' ACTIVITY

Congressman Collins, Mississippi, Wires Wallace—Senator Fess States His Position

JACKSON, MISS., Aug. 8.—Protesting the announced intention of Chairman L. P. Talley of Washington of the Commodity Credit Corporation to place fire insurance on government cotton with three large insurance brokers, Congressman Ross Collins telegraphed Secretary of Agriculture Henry A. Wallace requesting that Mississippi agents be allowed to handle insurance on government cotton grown in Mississippi.

"I note from press reports that Mississippi agents are not given opportunity to write fire insurance on government cotton grown in Mississippi," Congressman Collins, now a candidate for the United States Senate, declared in his telegram. "Insurance agents of this state are entitled to this business, the same as Mississippi merchants are entitled to the business of the farmers who produce the cotton. I urge that this business be distributed locally and not placed with only three out-of-state brokers as last year."

FESS STATES POSITION

CLEVELAND, Aug. 8.—A number of Ohio insurance men have written to Senator Simeon D. Fess protesting against the government's policy of placing insurance with a few favored agencies in connection with the activities of the Home Owners Loan Corporation and the Commodity Credit Corporation. In a letter to J. F. Freiburger, Cleveland agent, Senator Fess said:

"The present trend under the domination of President Roosevelt, is to put the government into business as a competitor of private industry in all substantial fields. I, of course, am opposed to it as much as I would be opposed to the abandonment of the fundamental principles of American government, upon which we have reached a high rank among nations."

George E. Burks of the Hummell & Meyer agency, has been elected to membership in the Louisville Board. Mr. Burks was a solicitor for the agency for a number of years, but recently became a member of the firm.

Attorney C. C. Kirk of Chicago finds that the recent Illinois supreme court decision on occupational disease question is not as sweeping as many first thought. Page 25

Concerned particularly because of a recent decision of the North Carolina supreme court, casualty executives have been holding conferences in New York on the occupational disease question. Page 23

Casualty companies quiz agents in larger centers on proposal to popularize residence burglary coverage. Page 24

General rate advance countrywide made in O. L. & T. liability line; manual revised; manufacturers' liability reclassified. Page 23

Health & Accident Underwriters Conference committee discusses forms and rates for hospitalization insurance. Page 25

Deputy Commissioner Justice of West Virginia expounds advantages of standard automobile liability policy. Page 30

Michigan commissioner calls a conference in an attempt to set up a more or less voluntary compensation bureau in the state, to which all companies would subscribe. Page 23

Greater Rating Procedure Uniformity Is Favored

COMMON LANGUAGE NEEDED

Manager Branscomb of Idaho Rating Bureau Makes Recommendations in Addressing Agents of His State

J. H. Branscomb of Boise, manager Idaho Surveying & Rating Bureau, in addressing the Idaho Association of Insurance Agents at their annual meeting at Payette Lakes, expressed the hope that greater uniformity in rating procedure nation-wide would be attained. "I do not plead for a copper-riveted regimentation of rating," he said. "Proper latitude should be allowed for regional conditions of climate, loss experience, fire prevention, laws, taxes, etc., but I do plead for a common language in the formulation of fire insurance rates, a language which may be learned by all engaged in the business, one that is not too intricate for the minds of those who pay the freight in the form of premium."

The Idaho rating bureau law was enacted in 1923 in an attempt to stabilize conditions. This was supported by non-organization companies who saw an opportunity in the proposed law of holding their agents within the limits of specified deviations. After the passage of the law, they promptly filed such deviations. Mr. Branscomb indicated that the law had not brought about the stability which its sponsors anticipated. He quoted from the last statutory examination of the bureau made last May stating that as a result of numerous deviations from bureau rates, the rate situation in Idaho is becoming chaotic and unfair, inequitable and discriminatory rates appear to be actually multiplied and encouraged.

Big Drop in Rates

In 1922 the average rate in Idaho was 1.79 while in 1933 it was 1.14, a drop of 36 percent. This compares with a nation-wide drop of 25 percent during the same period.

It has been suggested that Idaho rates be based on Idaho experience. Mr. Branscomb said this would be contrary to the principle that fire insurance rates should be based on a wide spread of territory and experience.

Those insurance officials who complain of vexations and expense incidental to compliance with different state laws, would have a better standing in court if they could call to the notice of state officials and legislators an equitable, lucid and reasonably uniform system of rating in use in the various states, he said. Objection to uniformity in rating, he stated, comes from regional rating jurisdictions, "each with its own plan, however faulty, and a stolid unwillingness to get together and formulate a reasonably uniform rating plan embodying the best features of the many plans now in use."

Mr. Branscomb said that Manager Woolley of the Washington Surveying & Rating Bureau has made a great effort to develop a comprehensive scientific rating schedule and it may be that his general basic schedule will win its way to national adoption. However, Mr. Branscomb said he hoped that a simpler and less expensive standard might be developed.

Neon Sign Record Good

Plate glass underwriters in London are reputed to have had unsatisfactory experience with insuring neon signs, and that several companies refuse any longer to accept such risks. If this is true, it is contrary to the record of the line in this country. Loss experience both on interior and exterior neon signs has been satisfactory, though premium volume involved is limited.

Washington Department Can't Pass on Adequacy of Rates

LAW IS ONLY "WAR MEASURE"

Supreme Court Holds, in Northwestern National Case, It Can Be Invoked Only When Rate War On

OLYMPIA, WASH., Aug. 8.—The state supreme court has overruled Insurance Commissioner Sullivan in his attempt to prohibit the Northwestern National from filing deviations from bureau fire rates. The decision was signed by all five judges who heard the appeal. The court says in part:

"Our attention has not been called to any other statutory provision which, under any conditions, authorizes or permits the commissioner to inquire into what is a proper and adequate rate.

"Apparently, in framing the code great care was exercised not to interfere with or limit the right of competition. The insurance companies must file their rates and adhere to those rates until they are properly changed, but, apparently, the companies are the sole judges of what is a proper and adequate rate, except only when a rate war is in progress."

The decision recites that apparently the commissioner rejected the deviations because he did not believe the rates were adequate and in his judgment a rate war would be precipitated and be helpful neither to the company nor to the public. The court says: "We accept this as the honest judgment of an honest official, eager to do his full duty and desirous of averting the 'horrors of war,' but we fear it is not enough. The statute does not speak in prospective terms. It treats of a rate war only as an actual, existing, subsisting condition and until that condition actually comes into being, the provisions of Section 5157 cannot operate."

The court says further: "Much reliance is placed upon the case of Continental vs. Fishback, 154 Wash. 269, 282 Pac. 44. When the facts arose which were there involved a serious rate war had been long in progress and was still being waged. The litigants and the court so well understood that condition that the fact was not even mentioned in the opinion. We can not read that case as even touching upon the vital

L. D. Meredith Named Vermont Commissioner

L. Douglass Meredith of Burlington, Vt., has been appointed commissioner of banking and insurance of Vermont to succeed G. H. V. Allen of Fair Haven, who has held the position on a temporary basis since the resignation of Robert C. Clark several months ago.

Mr. Meredith is an educator. For the past seven years he has been assistant professor of economics at the University of Vermont. Before that for two years he was an instructor in economics at Syracuse University. He was educated at Bucknell, Syracuse and Yale Universities receiving a Ph.D. degree at Yale. He served as a member of the Vermont bankers legislative committee in 1932-33. He has contributed frequent articles on financial questions to various journals.

Just before leaving office Mr. Allen issued a ruling bringing to the attention of insurance people that section of the Vermont laws requiring counter-signature by resident agents of policies in foreign companies. Rubber stamp signatures will not constitute compliance with the law, he states. They must be made manually with pen and ink and where a firm is concerned, the signature of an individual member of the firm must appear.

question which lies at the foundation of this case.

"Here, there is no showing that a rate war exists. The fear that one may develop, even though logically demonstrable, is but a belief which may or may not be verified by subsequent developments. The statute does not authorize the commissioner to interfere with the right of each insurer to fix its own rates or with the right to compete, on mere judgment or belief but only when a condition of actual war exists. Section 7157 is a war measure only."

Insurance men here say that possibly one reason why a rate war was not mentioned in the opinion in the Continental case was that one did not then exist but was anticipated then by Commissioner Fishback, as was anticipated here by Commissioner Sullivan. A petition for rehearing may be filed within 30 days from Aug. 4.

Idaho Agents Hold Session at Payette Lakes Resort

PERAULT IS NEW PRESIDENT

Contingent of San Francisco Company Officials Attend the Annual State Gathering

PAYETTE LAKES, IDA., Aug. 8.—The annual meeting of the Idaho Association of Insurance Agents, which was scheduled to get under way Monday morning of this week, really got started on Sunday. A large number of the conventioners arrived on that day and gathered for informal round table discussion until late in the evening. Most of the Idaho advisory board from San Francisco were on hand headed by H. R. Jackson, Pacific Coast manager of the Atlas, who is chairman of that committee. Accompanying Mr. Jackson were R. R. Robertson, London & Lancashire, vice-chairman; T. J. Craig, North America, L. S. Gregory, Fireman's Fund, and F. M. Avery, Fire Association. After leaving here they headed for Boise for further conferences with J. H. Branscomb, manager Idaho Surveying & Rating Bureau.

The scheduled proceedings started Monday morning with a trout breakfast and a two-hour discussion. The regular meeting was opened with an address of welcome by Dr. C. S. Jones of McCall. The response was by Fred Mitchell of Caldwell. After a presentation of reports by the president and secretary, Commissioner W. H. Bakes made a hit with his address on "State of Order." Other speakers on Monday were W. H. Lipps, national councillor, and Mr. Branscomb. A three-act skit was put on in professional style by Dick Robinson of San Francisco, A. E. Ware of Nampa and Robert Aitken of Spokane. Herman Rossi of Wallace spoke on agency qualification.

The officers elected for next year include: President, Joseph Perault, Boise; vice-president and national councillor, Homer Lipps, Lewiston; secretary-treasurer, Ralph Shepard, Boise; executive committee, George Walker, Ralph Shepard, Boise; A. E. Ware, Nampa. The meeting next year will be held in Wallace. Idaho company representa-

Pacific Board Officially Accepts Pearl Resignation

Although the date upon which A. L. Merritt of San Francisco will retire as vice-president and coast manager of the America Fore companies to assume his new duties as manager on the coast for the Pearl, Eureka-Security and Monarch has not been determined, it is expected that it will be early next month. Mr. Merritt is now home after spending some days in New York conferring with President B. M. Culver of the America Fore, and with United States Manager Conklin of the Pearl, subsequently going to Cleveland, and flying thence to San Francisco.

What arrangements Mr. Merritt will make with the present coast representatives of the Eureka-Security and the Monarch will be announced later. Both companies have important general agency connections in the territory, and it is taken for granted a satisfactory arrangement with each will be worked out. The Pearl will appoint no general agents, its entire coast affairs to be directed by Mr. Merritt.

The announcement of Mr. Merritt's appointment as coast manager of the Pearl, coincident with its decision to withdraw from the Pacific Board, has allayed to a considerable degree the fears of board members that the retirement would mean the company's adopting a policy of sharp practices, Mr. Merritt having been trained along orthodox lines and having no sympathy with any move tending to demoralization. As a matter of fact while Mr. Conklin was in San Francisco negotiating with the executive committee of the board as to the future relations of the Pearl toward the organization, he stated emphatically that should it withdraw, no fear need be felt as to its underwriting policies.

Official acceptance of withdrawal of the Pearl from the Pacific Board was voted at a meeting of the executive committee. It is expected that within the coming week Mr. Merritt will make known the personnel of his staff and the location of the new department offices.

tives presented the committee in charge with numerous prizes for the golf tournament held Tuesday afternoon.

NEBRASKA MEN PREPARE FOR GRAND NEST MEETING



E. V. NEUBERGER



B. A. JOCHEM



S. L. GARDNER



P. K. WALSH

The Nebraska people are putting the finishing touches to the arrangements for entertaining the Blue Goose grand nest at its annual meeting in Omaha, Aug. 21-23. Plans have been carefully made and the committees have been functioning effectively. Among the

Nebraska leaders, who have been preparing the way for a successful grand nest gathering, and who will be active in caring for the guests are Earl V. Neuberger, special agent for the Hartford Fire, who is wielder of the Nebraska pond and is secretary of the gen-

eral committee in charge of the Blue Goose arrangements. Then there is B. A. Jochem, secretary of the National Security Fire of Omaha, who is chairman of the home office committee. S. L. Gardner, state agent for the Great American, is chairman of the transporta-

tion committee and P. K. Walsh, a former vice-president of the National Security Fire, who is now an undertaker in Omaha, is serving as chairman of the entertainment and publicity committee. The gathering promises to be one of the most enthusiastic in years.



NATIONAL UNION FIRE INSURANCE COMPANY

Financial Statement, June 30, 1934

ASSETS	
Bonds (Market Value)	\$ 6,407,575.00
Stocks (Market Value)	2,713,556.63
Real Estate	1,187,149.27
First Mortgage Loans	799,798.01
Collateral Loans	60,000.00
Cash	1,042,366.76
Premiums in Course of Collection (Not over 90 Days Due)	1,146,761.41
Accrued Interest	134,672.30
Other Ledger Assets	65,946.12
	<hr/>
	\$13,557,825.50
LIABILITIES	
Reserve for Losses	\$ 873,773.39
Reserve for Unearned Premiums	6,221,809.95
Reserve for Taxes	103,366.91
Reserve for Other Liabilities	546,058.79
Capital	\$1,100,000.00
Surplus	4,712,816.46
	<hr/>
Surplus to Policyholders	5,812,816.46
	<hr/>
	\$13,557,825.50

Home Office:
Pittsburgh, Pa.

New York, N. Y.
85 Maiden Lane

San Francisco, Cal.
340 Pine Street

A GOOD AGENCY COMPANY

California Leaders Hold Conference on Separation

CONTACT COMMITTEE FORMED

General Gathering of Company Men,
Brokers and Agents Exhibits En-
thusiasm Over Progress

SAN FRANCISCO, Aug. 8.—For the purpose of bringing about more uniform and coordinated enforcement of separation in California, a permanent contact committee composed of company executives, brokers' and agents' organizations was perfected at a meeting in San Francisco.

With the theme, "Organization, Co-Operation, Separation," the meeting was attended by representatives of the California Association of Insurance Agents, San Francisco Insurance Brokers Exchange, Special agents associations of northern and southern California, National Association of Insurance Agents, Los Angeles Insurance Exchange and Pacific Board, all being enthusiastic over progress made since the separation rule was adopted.

This is the first general meeting although for months past district and regional meetings have been held where separation has been advanced and accepted as "logical and proper procedure."

Attending the meeting were: Eugene Battles, representing the National Association of Insurance Agencies; C. T. Buckman, president, Ed. R. Pickett, vice-president, and Frank Colridge, executive secretary California Association of Insurance Agents; M. Northup, northern California special agents association; J. T. Brocksieper, special agents' association southern California; Vernon Bogy, W. H. Menn, Harold McKnight, Los Angeles Insurance Exchange; Fred Hohwiesner, president San Francisco Brokers Exchange, and the following company executives and Pacific Board representatives: John C. Dornin, president; E. T. Cairns, William Deans, R. H. Griffith, H. L. Simpson, James S. Suydam, H. F. Badger, secretary, and Richard Waldron, Los Angeles secretary Pacific Board.

Fire Association Companies Physically Consolidated

PHILADELPHIA, Aug. 8.—Physical consolidation of the Lumbermen's and Philadelphia National with the operating forces of the Fire Association group has been accomplished.

The business of the two companies recently added to the Fire Association has been reallocated by territories to conform to the branch office supervision of the parent company, which has for many years maintained departmental offices at New York, Chicago and Atlanta.

Several general agencies and management offices of the Lumbermen's-Philadelphia National companies will continue to report to Philadelphia for the present. Among them are California Agencies, Inc., and Robert Sherrard, San Francisco; T. A. Manning & Sons, Dallas, and Shaw & Begg, Toronto.

Vice Presidents Clevenger and Frary are established in their new offices in the Fire Association home office and for the present will devote all their attention to Lumbermen's and Philadelphia National affairs.

Mutual "Ad" Men Meet on Savannah Convention Plans

The executive committee of the 1934 Mutual Insurance Advertising Conference met in Chicago to consider plans for its convention which is to be held at Savannah, Ga., Nov. 12-15.

G. H. Crowl, Waterloo, Ia., has purchased an interest in the agency of his father-in-law, J. J. Barton, Ft. Dodge, Ia.

Colorful Editor

Clarence Axman, colorful, resourceful, energetic, globe trotting editor of the "Eastern Underwriter," has been elected most loyal gander of the New York City Blue Goose. Whether other insurance newspaper men have occupied a similar position or not the records do not show. Mr. Axman has served in the ranks and gradually wended his way to the top of the pond. Being a newspaper man himself he does not court personal publicity. He shouts from the housetops the glories of the "Eastern Underwriter," making his broadcasts strictly impersonal.



Mr. Axman was formerly a stenographer in the western department of the Continental at Chicago. He was not satisfied to travel along in this sort of a groove. His newspaper instincts and sense are congenital. In those early days he became acquainted with the insurance newspaper men of Chicago, watched their work and concluded that he was cut out for the same sort of activity. The old "Insurance Herald," of which Young E. Allison, Sr., was the head, was well circulated in Chicago. Mr. Axman through persuasion and persistence finally induced Mr. Allison to allow him to become Chicago correspondent. That was the beginning of a great future. Clarence Axman has made a unique and lasting name for himself in his chosen work. There is no one like him. He occupies a field peculiarly his own. He has written many character sketches of insurance men. Here is a chance for a gripping feature story about Axman himself.

Schumm Now General Agent

A. H. F. Schumm has been appointed general agent for the New York Fire of the Corroon & Reynolds group in New Jersey with headquarters temporarily at 18 Washington Place, Newark. He was vice-president of the Sussex Fire until recently when the business of that company was reinsured in the Corroon & Reynolds organization and its management taken over by Corroon & Reynolds. He started in the business in 1905 with the Phoenix of London, going with the Caledonian in 1907, with which company he served as special agent, general agent and manager of the automobile department, until 1927 when he was named assistant United States manager of the Caledonian and vice-president of the Caledonian-American. In 1928 he joined the Sussex.

Wanted

To Buy—Local Agency in Indiana or Illinois. State commission income and reason for selling. Address Y-85, The National Underwriter.

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Pres. V. P. Secy.
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D. F. BRODERICK
INCORPORATED

INSURANCE EXCLUSIVELY

DETROIT NEW YORK CHICAGO
SAN FRANCISCO

NEWS OF FIELD MEN

Iowa Prevention Lineup Given

**Committeemen and Regional Supervisors
Announced by President
Fred E. Brake**

DES MOINES, Aug. 8.—Executive committeemen and regional supervisors of the Iowa Fire Prevention Association have been named by Fred E. Brake, Aetna Fire, president of the association.

Committeemen and the divisions which they head are J. W. Strohm, state fire marshal, arson; A. R. Mellor, New York Underwriters, public buildings; T. A. Hites, Boston and Old Colony, advance representatives; W. P. Scobie, Hartford, agriculture; S. L. Kerrigan, Commercial Union, speakers bureau; C. D. Wadsworth, Springfield, and L. B. Newendorp, North British.

Regional supervisors are Charles Cook, America Fore, Fort Dodge, and Wesley Volz, Fireman's Fund, Des Moines, for northwestern Iowa; H. W. Dunker, National American, Cedar Rapids, and H. C. Zimmerman, Ellis & McKinney Co., Des Moines, for northeastern Iowa; W. L. Rae, Northwestern National, and John Schultz, Great American, both of Des Moines, for southwestern Iowa; R. J. Hopkirk, Royal, Fort Madison, and Ralph Martin, Fireman's Fund, Des Moines, for southeastern Iowa.

The supervisors are to conduct educational fire prevention campaigns in their districts and prepare designated communities for inspections. The plan for a more extensive working organization has been in effect two years and has met with great success, according to Mr. Brake.

B. R. Howard with Firemen's

Bruce R. Howard has resigned as special agent of the Detroit National Fire to join the Firemen's organization in its Wayne county, Mich., department under Manager Ben Alaback. He had been connected with the Detroit National 10 years. Previously for two years he was with the Royal in its western department in Chicago and the Canadian branch at Toronto. His earlier experience was with the Northern of London in its western department in Chicago. His new headquarters are 2036 Union Guardian building, Detroit.

Michigan Committees Named

W. H. Gabriel, Detroit, state agent National of Connecticut and president Michigan Fire Underwriters Association, has appointed on the executive committee R. J. Martin, Phoenix of Hartford, chairman; Roy Stram, State of Pennsylvania; Don F. Goss, Jackson, Continental; G. R. Pritchett, American of Newark, and E. F. Richards, Great American. D. H. Luce, Lansing, Providence Washington, heads the loss committee.

Sig. W. Nelsen's New Work

Sig. W. Nelsen of Chicago, who has been connected with the North British & Mercantile about five years, is now returning to active duty, after having been laid up since the first of the year. He has fully recovered from his illness, has gained much in weight and is in first-class shape. He will now be associated with F. G. Cargill in the handling of the survey department in Chicago for the North British & Mercantile and associated companies. Before his illness he traveled in southern Illinois for the group.

New York Blue Goose Plans

Clarence Axman, most loyal gander of the New York City Blue Goose, announced that its first fall gathering the

third week in September will be in honor of S. A. Mehorter's elevation to most loyal grand gander. Representatives of other ponds will be invited to attend.

The second meeting will be designated as charter member night. Old-timers are to be guests of the pond. The first meeting of 1935 will have as one of its main features a press reel showing from start to finish the preparation of a big daily newspaper. Several newspaper men

will be invited to speak. In April it is expected that there will be discussion with respect to the 1935 grand nest meeting, which may be held in Atlantic City.

Leslie Powers With Buffalo

Leslie Powers, who has been special agent in southern New Jersey for the National Liberty, has resigned to go with the Buffalo.

Everdel Joins American Home

Rupert E. Everdel, formerly special agent for the Sussex Fire in Pennsylvania, has resigned to become special

agent for the American Home, covering Maryland, Delaware and Pennsylvania. Mr. Everdel has been in the field for a number of years and is well acquainted with the territory he will cover.

Stockton Rush Returns

Stockton Rush, assistant western manager of the North America in Chicago, has returned to his desk, after being away for several weeks. He was on duty at the home office for a time and then spent his vacation on the farm of his father, Benjamin Rush, president of the North America, about 30 miles from Philadelphia.

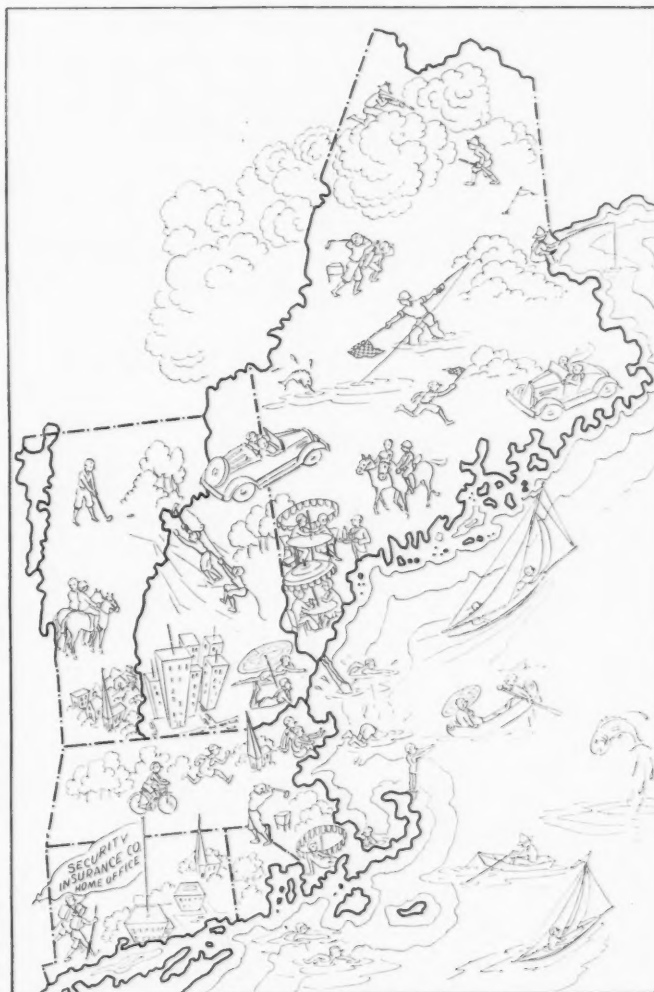
NEW ENGLAND VACATIONS

HISTORIC, beautiful New England is an ideal vacation spot. Restful tranquility of mountains, lakes or ocean, and peaceful quiet can be found here. In sharp contrast is bustling business and industrial activity, at the most only a few hours from vacation haunts.

Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut offer much to attract vacationists. Blue mountain lakes dot these states. Friendly hills beckon visitors. Streams wind their way through wooded sections. Seashore resorts serving famous shore dinners have their following. Villages with Colonial architecture and atmosphere are appealing. Famous places of American history seem everywhere. Unforgettable sunsets, scenic highways, unexcelled facilities for vacation sports—all appeal. Here truly is a vacation-land second to none.

Interesting places are readily accessible in New England. Less than a day's drive takes you from Maine's boundary to the southern line of Connecticut, a trip through five states. A few hours after leaving the Hudson River you arrive at the ocean. Come to New England this year. You will enjoy your vacation. If you request we shall be glad to have touring and vacation information sent you.

When you are in New Haven you will want to



see Yale University with its libraries, museums, gymnasium and the "Bowl." Then we should like you to visit us at number 175 Whitney Avenue. Here is the Home Office of a typical New England stock fire insurance company, old, conservative, progressive and strong.

1841

Security Insurance Company
OF NEW HAVEN, CONNECTICUT

AFFILIATE COMPANIES:

The Connecticut Indemnity Company
NEW HAVEN, CONNECTICUT

The East and West Insurance Company
OF NEW HAVEN, CONNECTICUT

California Union Insurance Company
SAN FRANCISCO

WESTERN DEPT.: ROCKFORD, ILL.

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

Casualty Fidelity Surety

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.

CHICAGO NEWS

FIRE RETURNS GREATER THIS YEAR

Fire insurance business in Chicago appears to have improved somewhat in the last year, according to premium tax returns made to the city comptroller for the year ended June 30. As previously noted, a number of mutuals which for several years regularly had filed their returns in blank with the mere notation "No Business Written," this year are showing substantial amount of new premiums. About half the companies which operated in the city during the period have filed, the number to date being approximately 170. Their returns indicate generally an improvement in premium income. Figures for some 70 companies which filed in the last week or ten days are presented below:

	1934	1933	1932
Gulf	\$ 13,767	\$ 9,737	.....
Firemen's Mut.	2,574	.....	.....
*Mchts., N. Y.	16,442	150,006	199,139
*Nat. Union, Pa.	18,881	30,204	.....
Boston Mfg. M.	6,274	.....	.....
Federal	7,765	15,634	.....
Alliance Assur.	864	1,711	15,750
Sea	516	3,372	838
Marine	4,475	12,013	4,425
West. Millers M.	1,601	.....	.....
Automobile	193,009	174,382	157,495
Hdw. Deal. M.	3,550	2,958	15
Farmers, Pa.	42,582	65,987	33,864
Ohio Ind. M.	1,407	1,186	781
Security Mut.	5	.....	.....
National, Conn.	330,386	290,967	281,291
Franklin Nat.	41,968	42,628	73,332
Mech. & Trad.	19,100	15,462	21,344
Transcont.	13,372	55,135	102,941
Pa. Lumb. M.	19,025	11,710	17,510
Boston	61,898	59,766	82,172
Old Colony	25,586	23,675	38,461
New Hamp.	53,812	45,793	74,235
*Pacific	77,802	64,192	65,048
Amer. Home.	267	1,931	18,530
Security	115,931	96,295	94,480
Mchts., Colo.	6,695	9,711	11,402
Berkshire M.	765	1,105	751
West. & South.	14,412	.....	.....
Minn. Impl. M.	4,970	7,035	6,913
Atlas	103,508	93,958	125,553
Taper Mill M.	230	304	394
East & West.	8,262	7,264	13,326
Lumb. M. O.	14,768	13,299	7,619
Fire Assoc.	151,171	179,370	141,266
Victory	11,296	5,586	6,918
Reliance	56,987	60,340	69,947
New England.	31,073	15,839	13,049
Sentinel	19,787	9,480	.....
Mich. F. & M.	101,639	16,173	19,750
St. Paul F. & M.	146,981	134,808	152,175
Mercury	15,767	28,103	42,636
General Exch.	22,565	18,069	20,213
Grain D. Nat. M.	7,041	6,486	7,943
Agricultural	49,182	46,445	47,568
Netherlands	37,686	34,899	.....
Caled.-Amer.	21,830	23,506	26,145
Phoenix Assur.	109,419	115,710	.....
Springfield	171,580	242,571	287,044
Camden	59,072	52,484	59,156
Coml. Union.	117,463	103,921	132,633
Mich. Mill. M.	12,285	12,014	21,296
Sussex	28,058	32,484	34,396
North Amer.	388,129	361,165	422,606
Phila. F. & M.	106,966	103,432	111,102
Alliance Ins.	95,579	83,411	129,165
Nat. Security.	28,724	38,396	33,546
Central Fire.	21,796	27,009	40,785
Iowa Hdw. M.	2,098	.....	.....
Twin City.	1,476	1,784	5,214
Indiana Lbr. M.	9,408	10,466	9,900
Quaker City .....	.....	.....	.....
F. & M.	6,705	.....	.....
No. Br. & Merc.	187,952	174,660	135,664
Mercantile	59,837	67,351	86,952
Commonwealth.	96,849	90,373	95,493
Pennsylvania.	136,021	134,741	148,660
Homeland	19,181	7,932	20,126
Empire State.	46,480	43,269	32,567
Philadel. Nat.	26,809	24,391	22,021
*N. W. F. & M.	15,132	19,488	34,539
Standard, Conn.	97,635	111,694	98,498
*Potomac	7,304	48,550	59,535
*Caledonian	7,574	2,263	.....
Mercantile M.	813	.....	.....

*Incomplete returns.

SIGNING UP FOR DUNNE'S CRUISE

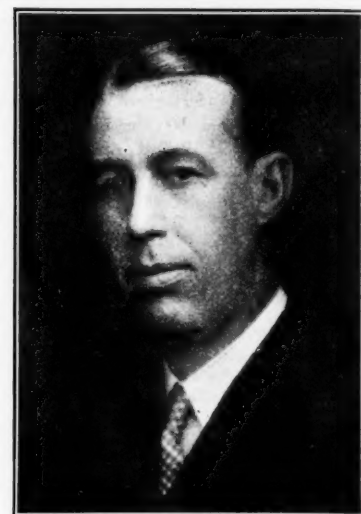
Timothy E. Dunne, arranger par excellence of nautical adventures, will conduct his 12th annual Labor Day cruise Sept. 1-4 on the "North American." Upwards of 100 reservations have been made. On the itinerary are St. Mary's river, passage through the great locks at Sault Ste. Marie and winding up at Mackinac Island before the return trip. Mr. Dunne is connected with the United States Casualty in Chicago.

Miscellaneous Notes

Ekings, Sachs & Co. agency, Paterson, N. J., has been incorporated by C. H. Sachs, Anna Sachs and R. M. Ekings.

The Chapman Insurance Agency, Greenville, O., has been incorporated by J. C. Chapman, M. M. Chapman and W. D. Brumbaugh, Jr.

Outside Speaker



P. D. BETTERLEY, Worcester, Mass.

P. D. Betterley of Graton & Knight Company of Worcester, Mass., who is in charge of insurance, will give one of the leading addresses before the annual meeting of the National Association of Insurance Agents at Grand Rapids. He has been prominent in the American Management Association and was in charge of its insurance division. He will present the insurance buyer's views.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 7, 1934

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	2.00*	47	49
Aetna Fire	10	1.60	39	41
Aetna Life	10	1.10	16	18
American, N. J.	2.50	.50	10	11 1/2
Amer. Surety	25	.50	25	27
Automobile, Conn.	10	1.00	19 1/2	21
Boston	100	16.00	480	510
Contl. Assur.	10	2.00	30	32
Continental Cas.	5	.60	11 1/2	13
Continental Ins.	2.50	1.20	26 1/2	28
Fidel. Phenix	5	1.20	27	29
Fire Assn.	10	2.00	46	49
Fireman's Fund.	25	3.00	59	61
Fireman's F. Ind.	10	.....	20 1/2	21
Firemen's	5	.....	5 1/2	6
Franklin Fire	5	1.05*	21	23
Glens Falls	10	1.60	28	30
Globe & Rutgers	25	.....	34	39
Great American.	5	1.00	18 1/2	19 1/2
Great Amer. Ind.	1	.....	6	8
Hanover	10	1.60	30	32
Harmonia	10	1.00	19	21
Hartford Fire	10	2.00	53	55
Home, N. Y.	5	1.10*	24 1/2	25 1/2
Ins. Co. of N. A.	10	2.00	47 1/2	49
Maryland Cas.	1	.....	1 1/2	2 1/4
Mass. Bonding	12.50	.....	14	16
National Cas.	10	.....	7 1/2	8 1/2
National Fire	10	2.00	53	55
National Liberty.	2	.25*	5 1/2	6 1/2
National Union.	20	.....	80	85
New Amst. Cas.	5	.....	8	9
New Brunswick.	10	1.60	23	25
N. Hampshire F.	10	1.60	39	41
North River	2.50	.75*	19	21
Phoenix, Conn.	10	2.00	63	65
Preferred Accel.	5	.....	9	12
Prov. Wash.	10	1.00	27	29
Security Ins. ....	.....	1.40	28	30
Sprgld. F. & M.	25	4.50	96	99
St. Paul F. & M.	25	6.00	146	149
Travelers	100	16.00	390	405
U. S. F. & G.	2	4 1/2
U. S. Fire	4	1.50*	37	38
Westchester F.	2.50	1.20*	25	26

*Includes extra.

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thoroughly experienced in Fire and
Casualty Lines.

Must be a Producer and an Executive capable of taking charge of Department in long established Chicago Agency and Brokerage Office. Replies strictly confidential. Address Y-83, The National Underwriter.

NEWS OF THE COMPANIES

Retain Title of North Star

Details of Program for Merging Equity Corporation and General Alliance Insurance Companies

The title North Star will be retained for the company to be formed by the merger of the American Colony and the North Star. The consolidated organization will confine its activities to the reinsurance field in which the North Star is now engaged.

Merger of these two companies is part of the complicated deal between the General Alliance and Equity Corporation. The General Alliance announces that it has already acquired 50,500 shares or practically 76 percent of the stock of the American Colony. The General Alliance owns all of the stock of the General Reinsurance, the casualty carrier, which in turn owns the North Star.

As a step in the transaction, the capital of the North Star has been temporarily reduced from \$800,000 to \$400,000. This adds \$400,000 to surplus of the North Star. Out of its surplus, the North Star has declared a \$1,000,000 dividend, all of which will be added to the surplus of the General Reinsurance. The net worth of the American Colony is more than \$1,000,000 so that after the merger of the North Star and the American Colony the new company will have a surplus to policyholders in excess of what it was prior to the recent reduction in capital and declaration of special dividend.

Lincoln Fire's Claim Against Royal Exchange Ruled Out

Denial of liability on the part of the Royal Exchange, under a fidelity bond covering Jules Thibaudeau, who was general agent in Canada for the Chicago Fire & Marine, has been upheld by the superior court in Montreal. The action against the Royal Exchange was brought by the Lincoln Fire, which reinsured the Chicago F. & M. The Lincoln set up that Thibaudeau had collected on behalf of the Chicago F. & M. sums totaling \$85,304, for which he failed to account.

The court validated the contention of the Royal Exchange that since Thibaudeau was accorded full use and control of collected funds until they became payable to the company, in other words being the debtor of the company for the amount collected, his failure to pay did not constitute embezzlement or larceny.

Furthermore the court upheld the position of the Royal Exchange in its contention that prompt notice was not rendered to it by the obligee. The bond provided that notice was to have been rendered promptly to the Royal Exchange as soon as the obligee should be aware of any act which might be made the basis of a claim for default. The Royal Exchange contended that the Lincoln had been aware of Thibaudeau's standing for many months prior to the date of filing claim.

National Union Mid-Year Statement Shows Strength

The National Union Fire of Pittsburgh has issued its semi-annual statement, showing assets \$13,557,825, the principal items being bonds at market value \$6,407,575, stocks at market value \$2,713,556, real estate \$1,187,149, mortgage loans \$799,798, cash \$1,042,366.

The premium reserve amounts to \$6,221,809, capital \$1,100,000 and net surplus \$4,712,816, making the surplus to policyholders \$5,812,816.

G. & R. May Soon Make Move

Application May Be Made in September for Court Order Declaring Rehabilitation Plan Operative

Announcement is made by the Globe & Rutgers that application will probably be made in September to the New York supreme court to have the com-

pany's rehabilitation program declared operative. The only thing that might delay would be the failure of additional claimants to sign consents to the program. Practically all of the creditors who are free to do so have signed the consents, but some have been delayed because of the necessity of getting the authority of boards of directors and others by the necessity of getting court approval.

A staff from the company's general counsel has been at work checking the legal status of the consents and a firm of accountants is supervising verification of all claims as represented by the signed consents. Counsel for the New

York department and for the Reconstruction Finance Corporation are also checking the validity of the consents.

Vice-president H. E. Bilkey states over 1,400 creditors have assented to the rehabilitation program to date, the number including scores of insurance companies and organizations, as well as many leading industrial corporations, merchants, insurance agents and brokers.

Head Office Statement

The head office statement of the Swiss Reinsurance, with which was recently merged the Prudential Re- & Co-

Why not FISHIN' instead of Wishin' for "Vacation-Dollars"?

PREMIUM LAKE

Let's help you "fish" for business!

Sales-producing ideas, literature and detailed information regarding "Vacation Covers" may be had for the asking by writing to our Business-Building Department at 150 William Street, New York.

THE COMMONWEALTH INSURANCE CO. OF NEW YORK

is now available, showing the condition as of Dec. 31, 1933. Assets amount to \$142,567,166, the principal items being bonds and stocks at market value \$33,539,900, mortgage loans \$7,932,517, real estate \$2,300,000, due by other companies and sundry debtors \$17,657,469, cash \$4,573,865 and life reserves and other funds deposited with ceding companies \$76,112,661.

In the life department the net reserve amounts to \$41,267,285, while the premium reserve for other departments is \$12,788,590. The reserve for unsettled claims in other departments is \$15,513,155, the life reserve and other funds retained from other companies is \$40,922,765. Capital amounts to \$6,060,606 and net surplus \$7,000,047.

E. Hurlimann, who is well known to many insurance men in this country, is managing director. Rodney Davis is United States manager.

Exhibition at Grand Rapids

The educational exhibition for insurance companies and equipment manufacturers to be set up during the convention of the National Association of Insurance Agents in Grand Rapids, Mich., will be located in the Civic Auditorium exhibition space, and not at the Pantlind hotel there.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

COMPROMISE PROPOSAL DEFEATED

By a vote of 58 to 38 the New York Fire Insurance Exchange defeated the proposal of its advisory committee to permit companies to continue paying full fire brokerage to office agents of affiliated casualty and life companies, where such agents were appointed prior to May 2, 1933. A favorable vote of 80 percent of those present and voting would have been required to amend the exchange agreement.

The advisory committee, in submitting the proposal, was seeking to reach a compromise that would be agreeable to the membership of the exchange and the Automobile of Hartford and Travelers Fire, upon which heavy fines had been imposed.

W. A. Riordan of the Automobile was recorded as not voting, while the Travelers Fire voted "no" on the ground that the portion of the agreement, which the advisory committee proposal sought to amend, is unconstitutional.

As a result of the defeat of the proposed amendment the appeals of the

Travelers Fire and Automobile from the \$10,000 fine, continue on the table. Possibly the appeals will be taken up at the regular meeting of the exchange in September.

* * *

ORGANIZATIONS NAME COMMITTEES

Committees have been designated by various organizations in New York to consider the advisability of extending the privilege of pro rata reduction of insurance to single location risks in New York. The issue was projected recently when the New York department suggested to the New York Fire Insurance Rating Organization that a discrimination apparently exists in favor of multiple location risks because, under their monthly reporting policies, the insurance is adjusted on a pro rata basis.

W. F. Dooley, America Fore, is chairman of the committee of the New York Fire Insurance Rating Organization. A. C. Noble, Merchants of New York, heads the committee of the New York Fire Insurance Exchange. The

Interstate Underwriters Board committee consists of Manager J. R. Dumont, Assistant Manager J. B. Sirich, V. L. Gallagher, America Fore, Eugene Dunn, Crum & Forster, and Ivan Escott, Home.

The regular fire insurance committee of the New York State Association of Local Agents has been designated to handle this question. H. A. Munns of Syracuse is chairman.

* * *

TO STUDY COURTESY POLICY

W. H. Koop, president of the Great American, has been named chairman of a committee of the New York Fire Insurance Exchange to ponder the question of issuing courtesy policies. The appointment of this committee was authorized at a special meeting of the exchange, at which time a resolution was adopted limiting the writing of courtesy policies until Oct. 10 to not more than 25 percent in new agencies and to the average percentage of the first seven months of the year in agencies already appointed.

* * *

BALLARD BACK FROM EUROPE

Sumner Ballard, president of the International and United States manager of the Scandinavia and New India, has returned from a trip of several weeks to Europe.

Edward Brown Gets City of N. Y.

SAN FRANCISCO, Aug. 8.—Edward Brown & Sons have been appointed general agents for the City of New York which was formerly handled out of the Home of New York office. The Brown agency recently lost the Pearl through its withdrawal from the Pacific Board.

The Wallace-Phipps General Agency has been appointed general agents for the Guaranty Underwriters of the Merchants of Rhode Island.

T. F. Hummel, manager of the marine department in the W. G. Wilson agency, is recovering from a serious illness in a Cleveland hospital.

Bucknell Wins Tourney and Title of "Iron Man"

R. R. Bucknell, assistant secretary and assistant treasurer of the Detroit National Fire, set out to win a golf tournament last week and came away with the first prize and the sobriquet of "The Iron Man of Insurance," conferred on him by his envious fellow golfers at the Cowan Agency-Wright, Hoyt & Co. tournament in Port Huron, Mich.

The thermometer outside of the locker room door ranged from 112 to 115—the hottest day in the 50-odd years the eastern Michigan weather bureaus have been recording daily temperatures. Mr. Bucknell reached Port Huron from Detroit by motor fairly early in the morning, and to become acquainted with the strange course, he played 18 holes in the morning while the others were sitting in the fan-cooled bar.

The tournament, in which some 40 company executives and field men participated, began at 1 p. m., with the thermometer threatening to burst its tube. Some of the contestants dropped out after the first few holes, and after that the heat and humidity forced the foursomes out one after another at every hole. Faced with the competition of such premier golfers as L. R. Hanawalt of Chicago, assistant western manager National of Hartford; Raymond Waldron, vice-president Detroit Fire & Marine; R. Z. Alexander, Detroit manager American Automobile; J. S. Richardson, Detroit branch manager Standard Accident, and many others, Mr. Bucknell played an additional 18 holes—and shot the best game he ever played, winning the first prize over Mr. Hanawalt, who carried it off last year, and the others. He shot a 75, and did his best work on the last few holes, requiring but eight putts for the last nine holes.

"WHAT?" AND "HOW?" ARE VERY IMPORTANT, BUT

"WHOM?" Is Paramount!

● There are three important features in connection with any worth-while sales promotion plan:—Whom to solicit; What to solicit; and How to go about it. Many will tell you What to solicit; and a few will tell you How—but seldom is the Agent shown who are *his* prospects.

The result is that the Agent is obliged to resort to what is known as a "Mailing List"—a list of names compiled frequently from the most fantastic sources. Naturally, the man who does not know that the persons to whom he has been trying to sell refrigerators are Esquimos, is going to have little success, and is apt to disparage all selling effort.

After two years of experimentation, we have evolved a plan for developing an Agency Prospect List that is as sure-fire as it is simple to handle. Furthermore, it provides a day-to-day "picture" of the Agent's entire business that is priceless.

All of our Agents are delighted with it, and we will be glad to show it to other Agents who may be interested in taking on our representation.

BY THE FIRE COMPANIES
OF THE AMERICAN GROUP



THE AMERICAN OF NEWARK
THE COLUMBIA FIRE OF DAYTON
DIXIE FIRE OF GREENSBORO

Atlantic Mutual Elects W. D. Winter as President

William D. Winter has been advanced to the presidency of the Atlantic Mutual to take the place left vacant by the recent death of W. W. Parsons. Mr. Winter has held the title of vice-president of the company and he is succeeded in that position by Vice-President J. A. Bogardus. P. G. Craig, loss manager, has been elected a vice-president to succeed Mr. Bogardus. Both Mr. Winter and Mr. Bogardus have been connected with the Atlantic Mutual during their entire business lives.

Mr. Winter joined the Atlantic Mutual in 1901 and was made assistant underwriter in 1909. In 1917 he became third vice-president, in 1922, second vice-president and was elected first vice-president in 1930. He is a past president of the Insurance Society of New York and is now vice-president and chairman of the educational committee of the Insurance Institute of America. He is the author of "Marine Insurance."

Mr. Bogardus joined the Atlantic Mutual in 1904, becoming second vice-president in 1930. Mr. Craig has been connected with the company since 1900.

Financial Statements Show Growth Since First of Year

Financial statements of the Boston and Old Colony of Boston, as of June 30, have been published. The Boston reports assets of \$20,910,426, capital \$3,000,000, contingency reserve \$602,220 and net surplus \$10,101,194. The latter item is an increase of close to \$1,900,000 since Jan. 1.

Total assets of the Old Colony were \$8,209,279, capital \$1,000,000, contingency reserve \$243,805 and net surplus, \$5,000,925, a gain of approximately \$850,000 for the six months.

Speakers at "Ad" Conference

The annual convention of the Insurance Advertising Conference will take place at the Westchester Country Club, Rye, N. Y., the three days beginning Oct. 1.

The program committee, headed by Arthur Fisk of the Prudential, has announced some important speakers, including Albert Haase of the Association of National Advertisers; Merle Thorpe, editor of "Nation's Business," and A. T. Falk, director of research and education Advertising Federation of America.

One of the most interesting speakers will be Edward Ekdahl, administration officer of the national highway study conducted by the Massachusetts Institute of Technology.

Handling Balloon Insurance

Charles E. Slusser of the agency bearing his name in Akron, O., reports that it issued the insurance for the transportation of the stratosphere balloon, which collapsed in its flight, from Akron, O., to Rapid City, S. D. The balloon was hauled by the Truckowners Freight Company, one of the assured of the Slusser agency. The insurer was the Universal of New Jersey.

R. L. Stewart Elected Director

R. L. Stewart, vice-president of the American Colony, has been elected a director of the Importers & Exporters.

I.U.B. Defended Against Critics

(CONTINUED FROM PAGE 1)

the agents have loudly protested the I. U. B. operations, the Pearl wrote in 1933 more business than some of the oldest and soundest companies which have been operating in New York for years. "How much of this was the New York end of interstate floaters?" he asked. "The I. U. B. is the only weapon

that an agent of an organization company has to combat this competition. It has brought back to legitimate channels business in which local agents have never participated."

Issue for New Mexico Agents

One subject that is expected to cause much discussion at the meeting of the New Mexico Association of Insurance Agents in Santa Fe Aug. 13-14 is the 2 percent business tax passed in the last special session of the state legislature. There is uncertainty as to the effect of the tax on insurance, due to the existence of a provision exempting pre-

miums. The law provides that the tax shall apply to all businesses and shall be passed on to the consumer. At the time the matter first came up, insurance men announced they would carry a test case into the courts, but such a move has not been made.

Grand Rapids "Extra" Issued

The "Grand Rapids Press" has published a four-page "extra" in the interest of the convention of the National Association of Insurance Agents to be held in Grand Rapids the week of Sept. 17. This edition contains pictures of leaders among the Grand Rapids agents

and several officers of the National Association of Insurance Agents, as well as Grand Rapids scenes. The lead article is by George Brown, secretary of the Michigan Association of Insurance Agents, who explains the distinction enjoyed by Grand Rapids in being selected for the annual meeting, since the custom is to meet in larger centers.

Withdraws Separation Order

Until the separation movement is more clearly defined, the Boston Board has withdrawn its action of July 10, dealing with representation by members of both affiliated and non-affiliated companies.

Extra... extra...

We have a new supply of that interesting booklet, "Keeping Tab on the Sprinkler." Compiled primarily as a brief "reasons why" guide for those who have given little or no thought to the working condition of their automatic sprinkler systems, the booklet nevertheless has found many interested readers among the insurance fraternity.

It explains how A.D.T. Service turns an automatic sprinkler system into an automatic fire alarm... how it keeps tab on the whole system day in and day out... how it increases protection and reduces costs in many cases.

May we send you a copy?



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Suggesting a Symposium on Service

WHEN the chairman at the round table session during the convention of the upper peninsula of MICHIGAN agents in ESCANABA suggested discussion on sales promotion activities of agencies, FRED A. ROPER of MENOMINEE arose and gave an inspiring message as to the service the local agents should render. It was interesting that the subject of sales promotion should elicit discussion about service. It seems to us that the relationship is natural. An honest and wholehearted salesman gives service as a matter of course. Service is not an afterthought with him. It flows naturally from his sales activity, not necessarily as a conscious effort to gain by pleasing, but as a human act. The agent who is not a good salesman is likely to be one who renders inferior service. Salesmanship and service seem to go hand in hand.

MR. ROPER advised his audience to "sell yourself and give yourself." The agent should devote himself conscientiously and honestly to the service of his clients and apply himself thoroughly to his business, MR. ROPER asserted. He should give his time unselfishly and should go out of his way to render service, he said. MR. ROPER then went on to relate an example of the service he had in mind. He told of being reached on the telephone one Saturday afternoon just as he was preparing to go out for a game of golf. A friend and client had been involved in an automobile accident more than 100 miles away. MR. ROPER dropped everything and spent the afternoon and evening arranging hospital and other details.

By citing that example, MR. ROPER clinched his point. Service is one of those

words which has come to have a hollow meaning by frequent repetition, along with such words as cooperation, where the facts belie the words. We know that every day the insurance agent runs errands, makes investigations, answers inquiries, gives a hand in emergencies and performs dozens of other tasks besides selling policies, writing them up, collecting for them and performing the other ordinary functions of his office. All of this other work goes by the name of service, yet when a prospect is told that a local agent is in a position to render service, he does not visualize what that may mean. He has heard the word service before and is not much impressed. If he could hear the example that MR. ROPER related he would have a realization of what that service might mean.

Therefore, it has occurred to THE NATIONAL UNDERWRITER that a symposium, consisting of examples of service rendered by local agents would be valuable. Accordingly, we invite the field force to send in such examples. The circumstances do not have to be unusual to make the example worth while. Very often something which the agent may regard as a most commonplace service would serve to impress upon the prospect what he might gain by having an agent for a friend. For instance, we know of several agents in resort country, who make the rounds of the summer dwellings during the winter and report to the owners on their condition.

If the agent desires that his name not be mentioned, we will, of course, respect his wishes. However, being able to give the name of the agent would add interest.

Fortunate If There Be No Claim

MANY people who have not had an insurance claim feel that the insurance companies owe them something. A man pays an insurance premium in order to join with others to protect himself against some accident or catastrophe that might overwhelm him if sustained alone. He should be perfectly satisfied in paying a certain sum a year to avoid having a claim. The person who has paid for insurance all his life and has never had a claim is to be

heartily congratulated. The unexpected has not happened to him. He has traversed life in a normal way and has been free from disaster even though confronted with many hazards. The unfortunates are those that have had claims paid by insurance companies. An insurance premium is never an investment. It is a mutually cooperative plan whereby the shock of disaster may be cushioned and does not make a benefaction of a disaster.

PERSONAL SIDE OF BUSINESS

Frank Chapman, special agent for the Hartford Fire at Charlotte, N. C., was drowned when he fell overboard from cabin cruiser upon which he was taking what had been an annual trip for him for several years up Rappahannock river. He was 38 years of age. His body was not recovered for several days.

George E. Coleman, 76, Mt. Sterling, Ky., adjuster, died in a hospital there from injuries suffered when he was struck by an automobile. Before becoming an adjuster he conducted a local agency in Mt. Sterling.

Emil G. Pieper, president of the Rhode Island, left San Francisco after spending a week with Cravens, Dargan & Fox, local managers of the company. Prior to reaching San Francisco, Mr. Pieper visited the Pacific northwest on an agency trip.

C. H. Towson, 83, president of the Towson-Mast Company, Lancaster, O., died at his home in that city. He had been in the insurance business there 64 years.

H. H. Chittenden, Ohio state agent of the Home, who was tendered a surprise in Columbus in commemoration of his fifth anniversary as state agent of the Home, was presented 1,700 new policies, the result of a special campaign put on by the field force in his honor. He also was given a mint julep set, the presentation being made by Manager A. S. Forsch of the Cleveland office. Seventeen persons were present, including the Ohio field men and managers and Ted Pfafflin of the service department of the Chicago office.

Sam T. Morrison, well known local agent of Iowa City, was among those attending the Republican state convention at Des Moines, being chairman of the Johnson county delegation.

J. S. Hogan of Los Angeles, state agent Underwriters Salvage Company, died suddenly at his home there at the age of 72 years. He had been with the company in Dallas and Los Angeles for 20 years.

T. M. Hogan, Illinois state agent for the Dubuque F. & M. and National Reserve, is bereaved by the death of his mother, Mrs. Mary Hogan. She was 82 years old and had been ill since May.

P. J. V. McKian, publicity manager of the fire prevention department of the Western Actuarial Bureau, is in St. Bernard's Hospital in Chicago for repairs. Mr. McKian submitted to a minor operation last Saturday and may undergo another. He will probably be in the hospital four or five weeks.

Last Monday Mr. McKian had the misfortune to fall out of his hospital bed and break his hip, which will probably necessitate his remaining in the hospital longer than originally anticipated.

Paul L. Haid, president of the Insurance Executives Association, whose hobby is yachting, is now able to indulge himself even more enjoyably in that sport, for he has just purchased a new yacht, which is bigger and better, named the "Nadiva."

John J. O'Toole, secretary of the F. D. Hirschberg & Co. agency, St. Louis, is receiving congratulations because of the arrival of a daughter, Mary Catherine O'Toole.

Members of the staff of the A. W. Shell & Co. agency of Cincinnati, gathered at lunch last Saturday to signalize the 50th anniversary of W. J. Franke's entrance into the insurance business. Mr. Franke started Aug. 4, 1884, with the firm of H. C. Shell & Son, which

was formerly the name of the present agency.

Other Cincinnati local agents who are celebrating their 50th year in the business are Joseph Haas and Winfield Hukill, Jr., who started on Aug. 6 and 11 respectively.

E. V. Thompson, Jr., who was associated with his father in the Thompson, Kincade, O'Connor & Powers agency, St. Louis, has been unconscious in a Clayton, Mo., hospital since he was injured in an automobile accident early in June. A physician in charge said Mr. Thompson's condition is due to scar on the brain, and expressed the belief that consciousness will not return until the scar is healed.

G. A. Holland, head of G. A. Holland Company agency, Des Moines, has been elected chairman of the Polk county Democratic committee. He has for years been active in Democratic circles and has been mentioned for prominent political appointments, all of which he passed up, due to the pressure of his insurance business.

Mrs. Clyde B. Smith, wife of the former president of the National Association of Insurance Agents, has returned to her home in Lansing, Mich., after having undergone treatment for the past three weeks at the Battle Creek sanatorium for a streptococcal infection. She is not yet fully recovered but is somewhat improved in health.

A. S. Morgenstern, president of H. E. Lippmann & Co., Seattle, and past president of the Seattle Insurance Exchange, has announced his candidacy for Congress on the Democratic ticket.

Fred F. Thompson, Oklahoma state agent of the North British & Mercantile, recently completed his 25th year as a field man in the service of the North British. The western department field club has presented him with a kodak and the home office has also recognized in suitable fashion Mr. Thompson's anniversary.

George E. Schweers, special agent for the Glens Falls in Chicago, was married to Eulalia M. Bonfield of the Glens Falls Chicago office recently. They will motor to northern Wisconsin later in the month and also plan to visit some relatives in Cincinnati.

John F. Stafford, retired western manager of the Sun, is in Orange hospital, Orlando, Fla., recovering from an operation performed about two weeks ago. Advices are that Mr. Stafford is making a good recovery and that a condition which has needed attention for some time, has been corrected.

Robert Maxwell, marine special agent for the Home of New York, who was transferred a short time ago from Chicago to Detroit, and Mabel Bennett, in the service department of the Home at Chicago, were married a short time ago. Mrs. Maxwell is giving up her position. The couple will reside in Detroit.

Surety for Agent Pays, Files Embezzlement Case

The T. W. Garrett, Jr., general agency of Kansas City, recently sued Henry Forschler, bondsman for John W. Smith, local agent at Thayer, Mo., and collected an unpaid balance. Now Forschler has brought a criminal action against Smith on charges of embezzlement.



Whether they travel much or not - almost everyone with personal effects of value needs the protection of an America Fore All Risks Personal Effects Policy.

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Airports Need Wind Coverage

Damage Done at South Bend, Ind., Causes Reversal of Plan to Cut Fort Wayne Insurance

SOUTH BEND, IND., Aug. 8.—The windstorm damage to hangars at the municipal airport here last week has had an immediate effect on airport coverage in at least one other Indiana city. A proposal has been before the aviation commission of Fort Wayne to cut all of its airport insurance coverage 50 per cent, in the belief that the reduced amount would be sufficient to cover the probable hazards.

Capt. Clarence Cornish, the new manager of the Fort Wayne airport, visited the South Bend airport immediately after the storm. As a result, it has been determined to make no reduction in wind coverage at Fort Wayne, but to cut the fire policies 50 percent. It is recognized that the immense surfaces presented to the wind by the isolated hangars offer a tremendous risk under certain conditions.

The buildings at the airport here are situated in a sort of arc. The hangar facing to the northwest, which met the 58-mile windstorm squarely, was the one that suffered chief damage. The doors and a portion of the roof were carried into the hangar, damaging at least eight planes, none of which were insured. Adjustments on the airport buildings, now in the hands of the Western Adjustment, probably will run to \$1,700. The four hangars are insured for \$2,500 each by the city.

Local agents in all cities where airports are maintained have an object lesson here which they are likely to use with good effect.

Local Agent Is Candidate For Governor in Ohio

A good many Ohio insurance men are interested in the candidacy of C. Nelson Sparks of Akron, who is seeking the Republican nomination for governor of his state at the Aug. 14 primaries. Mr. Sparks is head of the Akron Agencies, Inc., and is a former mayor of his city. He has been active in behalf of and interested in beneficial insurance legislation and has publicly, in his campaign, stated that if nominated and elected he would appoint an insurance man as commissioner and would consult only the insurance fraternity in that selection.

Mr. Sparks has had an active public life. In addition to serving as mayor of Akron, he was safety director of that city in 1920 and from 1921 to 1927 was postmaster. He has been campaigning on a strong platform.

Proposed St. Louis Tax on Agents Apparently Killed

ST. LOUIS, Aug. 8. — Through prompt action on the part of the legal staff of the American Life Convention the threatened special St. Louis tax of \$25 a year on each of the 3,000 insurance agents and brokers in this city apparently has been permanently killed.

The special tax had been recommended by J. G. Burkhardt, special tax attorney for the city, as one means of raising approximately \$4,450,000 in additional city taxes needed to offset threatened deficits. Alderman Slay also announced that he proposed to introduce

a bill to levy a 25-cent tax on all insurance policies issued in the city, including life.

The American Life Convention at once arranged a conference with Mr. Burkhardt and other attorneys for the city and made representations in opposition to the two tax measures, citing the Missouri statutes, which would bar such taxes. Following these conferences, Mr. Burkhardt agreed to recommend to the special tax committee that further consideration of the proposed insurance taxes be dropped. The city counselor's office advised Alderman Slay that it is beyond the power of the city to enact the proposed policy tax.

Wind Losses at Flint Are Estimated to Be \$200,000

Insurance losses as a result of the severe storm in Michigan last week are now estimated at about \$200,000. The heaviest damage was done in Flint, about 2,000 claims being presented from that city and vicinity.

Most of the losses are small, but a few important properties were damaged. For instance, the roof of the Tri-State Baking Company of Flint was blown off and there was considerable rain damage to the contents. This was a heavy windstorm and not a tornado and consequently the damage was not as great as if it had been a twister. After a storm of this kind, the damage at first appears much greater than it really is, because of the trees that are destroyed.

The Western Adjustment set up headquarters in Flint and had 12 men on the scene while the Underwriters Adjusting had five men in Flint.

About 300 or 400 claims are being presented from the Detroit neighborhood, where considerable damage was done in the outlying sections.

The same storm swept over northern Ohio and the companies are receiving claims from Toledo, Sandusky, Lorain, Cleveland and other cities in that section of the state.

Much damage to rural property here and there throughout Michigan and Ohio was reported and there was some hail damage to crops.

At about the same time there were scattered storms that did considerable damage in various parts of the middle west. A tornado struck in the neighborhood of Tallula and Virginia, Ill. Other losses were reported from Coffeyville, Kan. There was some damage at South Bend, Ind.

Woman Heads New Ohio Board

Mrs. Stella Hill Benner has been chosen temporary chairman of the new local board at Steubenville, O. W. W. Borden has been named secretary. W. H. Rose of Jackson, O., has been named president of the Jackson county association; Ben F. Wills of Wellston, vice-president, and Howland Parry of Jackson, secretary.

Hazard in Fodder Crops

MILWAUKEE, Aug. 8.—Because of the large acreage of soy beans, cow peas, Sudan grass, millet, sorghum and fodder corn planted in Wisconsin this year as a substitute for the failing hay crop, possibilities of a new fire hazard arising from improper curing and storage of these crops is being called to the attention of farmers by the Wisconsin industrial commission.

"Some of these crops will be put into silos where the fire danger is not so great," said Judge J. E. Florin, superin-

To Give Report



CHESTER E. FORD

Chester E. Ford of Des Moines will report as chairman of the legislative committee at the annual meeting of the Iowa Association of Insurance Agents at Council Bluffs, Aug. 20-21. Mr. Ford is an enthusiastic worker in behalf of the association and takes particularly keen interest in legislative affairs. He has accomplished some effective results in that field.

tendent of fire prevention of the commission. "However, some of these substitutes are high in moisture contents, as most of them will mature late in the season when the sun heat is less potent. If put into barns and hay mows, incompletely cured, they are liable to heat spontaneously and such heating may reach the ignition point and result in a fire which will destroy the barn and much needed feed. Many fires have occurred in such substitutes, especially soy beans and cow peas."

Minnesota Convention Plans

The annual convention of the Minnesota Association of Insurance Agents will get under way at St. Cloud Friday afternoon, Aug. 24, with an open session. In the evening there will be a dinner and the featured speaker will be a representative of the National Association of Insurance Agents. On Saturday morning there will be an executive session for members only and that afternoon will be devoted to sports and recreation. The convention sessions will be held at the St. Cloud Country Club on the Mississippi river, a short distance from St. Cloud.

Resume Liquor Probe in Fall

COLUMBUS, O., Aug. 8.—Senator Carl D. Sheppard of Akron, chairman of the senate committee investigating the Ohio liquor control department, says the investigation will be resumed in the fall and that Col. John A. Hughes, state liquor director, will be recalled as a witness. Mr. Sheppard is quoted as saying that new irregularities have been unearthed. Among the matters investigated by the committee was the placing of insurance with a few favored agents.

Now in New Quarters

The Cincinnati Fire Underwriters Association is now established in its new offices in the Carew Tower. The equipment and files were moved last week and there was open house Aug. 1. The opening was well attended by local agents and was celebrated by a brilliant

display of flowers sent by members. While it was expected that several out-of-town visitors might be present, none of them were able to be present. The new offices are very modern and include a large meeting room for the use of members and of the board.

Davenport Agents Are Hosts

The Davenport (Ia.) real estate board was host at a picnic at Camp Cody on the Mississippi River last Saturday to real estate men and insurance agents of Rock Island and Moline, Ill., and Clinton and Davenport, Ia. There was horseback riding, fishing, boating, horseshoe pitching, clay bird and rifle shooting, poker, bridge and casino. John Hynes, well known local agent of Davenport, was a member of the committee in charge.

Form New Indianapolis Agency

Lewis, Mathews & Furgason, Inc., is a new general and local agency in Indianapolis, composed of J. W. Mathews and R. O. Furgason. Mr. Furgason, president of the agency, started with the Indiana Inspection Bureau, going into the field later with the W. P. Ray general agency and after that for the Firemen's group. Mr. Mathews, secretary-treasurer, was with the Globe Indemnity in Indiana for five years, followed by five years with the New York department. C. C. Wysong, former Indiana commissioner, is vice-president of the agency, which is general agent for the Rhode Island group, the National Surety and the Protective Indemnity, and state agent for Chicago Lloyds. It has offices on the fifth floor of the Fidelity Trust building, Indianapolis.

Oppenheimer Safety Council Head

KANSAS CITY, MO., Aug. 8.—George Oppenheimer of the Oppenheimer Brothers agency has been elected president of the Kansas City Safety Council. R. Bryson Jones of R. B. Jones & Sons is vice-president; Joseph McGee of Thomas McGee & Sons, secretary; W. W. Williams, assistant to the president Employers Reinsurance, treasurer. Frank Furgason, local agent, and R. M. Rogers, secretary Western Millers Mutual, are on the board of governors.

Plan Conference on Accounting

A feature of the annual convention of the Ohio Association of Insurance Agents in Columbus Sept. 25-26 will be a conference to follow an address by W. D. Wall of Columbus, a certified public accountant, on "Agency Accounting." All phases of accounting in an insurance office are expected to come up for discussion.

Among the other speakers will be B. W. Gearheart of Columbus, counsel for the former Ohio superintendent and Ohio association, and W. H. Bennett, secretary National Association of Insurance Agents.

Lightning Strikes Twice

By a freak of nature, two barns on the farm of John Voellinger of Belleville, Ill., were struck by lightning and destroyed within a few nights of each other.

Middle West Notes

L. W. Auman, Indianapolis adjuster for several years, died there from a heart attack.

James Myers, local agent at Rushville, Ind., died there following a surgical operation. He was associated with his father, C. W. Myers.

Mrs. Leathy Sneathen, for 13 years office manager for her husband, Dean E. Sneathen, Lincoln, Neb., local agent, died Aug. 1 at her home.

Suicidal death of Miss Anna Barcus, Muskegon, Mich., came as a shock to her insurance acquaintances. She had operated the local agency of her foster father, W. W. Barcus, since his death some time ago.

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78

(Securities at Market Value)

Organized 1853

**THE GIRARD
FIRE & MARINE INSURANCE CO.**
Surplus to Policyholders Dec. 31, 1933

\$2,380,826.52

Securities at Market Value

82 YEARS IN BUSINESS

Organized 1854

**THE MECHANICS
INSURANCE COMPANY OF
PHILADELPHIA**
Surplus to Policyholders Dec. 31, 1933

\$2,181,651.19

Securities at Market Value

31 YEARS IN BUSINESS

Organized 1866

**NATIONAL-BEN FRANKLIN
FIRE INSURANCE CO. OF
PITTSBURGH, PA.**
Surplus to Policyholders Dec. 31, 1933

\$2,254,726.35

Securities at Market Value

69 YEARS IN BUSINESS

Organized 1874

**THE METROPOLITAN
CASUALTY INSURANCE CO.
OF NEW YORK**
Surplus to Policyholders Dec. 31, 1933

\$2,216,188.12

Bonds Amortized—Stocks Market Value

61 YEARS IN BUSINESS

AVERAGE AGE

LOYALTY GROUP COMPANIES

OVER 66 YEARS

GROUP LOSSES PAID

OVER

FOUR HUNDRED MILLION

\$413,592,692.72

A LOSS PAYING RECORD

PROVING SECURITY
AND STABILITY

OUR BUSINESS ASSETS

MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1852

**MILWAUKEE MECHANICS'
INSURANCE COMPANY**
Surplus to Policyholders Dec. 31, 1933

\$5,021,440.67

Securities at Market Value

83 YEARS IN BUSINESS

Organized 1871

**SUPERIOR
FIRE INSURANCE COMPANY**
Surplus to Policyholders Dec. 31, 1933

\$1,780,616.49

Securities at Market Value

64 YEARS IN BUSINESS

Organized 1870

**THE CONCORDIA
FIRE INSURANCE COMPANY
OF MILWAUKEE**
Surplus to Policyholders Dec. 31, 1933

\$2,411,805.55

Securities at Market Value

65 YEARS IN BUSINESS

Organized 1909

**COMMERCIAL
CASUALTY INSURANCE CO.**
Surplus to Policyholders Dec. 31, 1933

\$2,015,905.60

Bonds Amortized—Stocks Market Value

26 YEARS IN BUSINESS

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

1794

1934

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

Annual Statement, December 31, 1933

Reserve for Unearned Premiums.....	\$1,158,711.30
Reserve for Losses, Taxes, etc.....	342,236.66
*Contingency Reserve	535,317.50
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,192,080.93

TOTAL ASSETS	\$4,228,346.39
SURPLUS TO POLICYHOLDERS....	\$2,192,080.93
Actual Market Value	

Acquire THE OLD "STATE OF PENN"

*Contingency Reserve represents difference between Value carried in Assets and actual December 31, 1933, Market Quotations on all Bonds and Stocks owned.

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(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort - Thomas B. Donaldson
18 WASHINGTON PLACE, NEWARK, N. J.

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ROYAL EXCHANGE
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111 John Street

NEW YORK

Southern States Local News

Dallas School Line Problem

Companies Faced With Necessity of Reducing Wind Rates Generally If Competitive Bids Are Entered

In view of the fact that windstorm insurance on the schools of Dallas is now up for renewal, much interest is taken in a communication to companies from A. R. Phillips, vice-president of the Great American, in his capacity as chairman of the Texas Conference. Mr. Phillips' communication merely quotes a letter from Fire Insurance Commissioner Mauk of Texas to R. B. Cousins, Jr., secretary Texas Fire Prevention Association. Mr. Mauk, citing the statutes with reference to special filings of lesser rates, to the effect that such rates shall be applicable to all risks of the same character in the same community, points out that schools are rated according to the particular type of construction. He expresses the belief that a company filing a lower rate on fireproof schools would have to write all similarly constructed buildings classified and rated under item 4 in the windstorm manual at the same rate.

In the past, windstorm insurance on the Dallas schools has been written below manual or on a deductible form, since windstorm insurance was not under the rating law of Texas. However, the law now comprehends windstorm insurance and provides that a company may file lower rates for the entire state or for any community provided the lower rates shall be applicable to all risks of the class within the specified territory.

Although the companies would like to capture some of the Dallas school line, they recall the million dollar hailstorm loss in Dallas last year and will proceed cautiously. The windstorm policy in Texas now covers hail as well.

New Texas Vice-Presidents and Committees Announced

President John H. Chiles of the Texas Association of Insurance Agents has announced the following regional vice-presidents: District 2, T. F. Aston, Sherman; District 4, R. H. Patterson, Temple; District 5, T. B. Southgate, Corpus Christi; District 6, C. H. Ekford, El Paso; District 8, R. L. Caton, Tyler.

President Chiles has also appointed these committees: Conference, G. Mabry Seay, Dallas, and L. W. Gosling, San Antonio; local exchange, Tom Gillis, Fort Worth, H. V. Hay, Waco; Jules Jacobs, Galveston, F. F. Ludolph, San Antonio, and Mitchell Ragland, Paris; fire and accident prevention, Rolla Cartwright, Amarillo; G. A. Adams, Bryan, W. E. Bideker, Fort Worth; H. M. Carter, Luling; L. W. Frost, Beaumont; J. L. Lain, Cleburne, and L. D. Rowe, McAllen.

Renew Augusta School Line

AUGUSTA, GA., Aug. 8.—The \$2,250,000 school schedule of the Richmond county board of education has been renewed with stock companies. Each stock company represented in Augusta received its proportionate share. Every year there is strong competition from the mutuals for this line but despite many alluring inducements the stock agents win out. This year the competition was worse, due to the increased number of "mixed" agents and to satisfy all agents the board of education turned over to the Augusta Board the placing of the business on an equitable basis. It was decided that the

stock companies should write the business but the commission was divided among all agents, mutual, stock and mixed.

Collections Up, New Business Slow

BIRMINGHAM, ALA., Aug. 8.—Although collections are better in the south, fire and casualty agents report it very hard as yet to obtain new business. About all they can count on is old policies and sometimes it is hard to hold them, as competition is very keen. With such conditions, the matter of obtaining any increased volume is almost out of the question.

Much property is still going uninsured. This applies especially to automobile risks. Business is better in the smaller towns than in the cities, being boosted to some extent by improved prices for cotton and other farm products.

Pine Bluff Agency Expands

One of the finest insurance offices in Arkansas has been opened by the E. B. & F. R. Bloom Agency at 120 Main street, Pine Bluff. The building has two floors and has been specially arranged to obtain the maximum of efficiency.



THESE are days when business-getting agents appreciate the Northwestern Fire & Marine Insurance Company. The Northwestern is quick to help an agent with practically any form of property insurance.

NORTHWESTERN
Fire & Marine Insurance Company

John H. Griffin, President
MINNEAPOLIS, MINNESOTA

Reduce Insurance Rates

Recommend
**JUSTRITE OILY WASTE
AND SAFETY CANS**
Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.
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2007 SOUTHPORT AVE. CHICAGO, ILL.

**GET new business • RENEW
old business • DISARM competition**
How? Ask about
The Fire, Casualty & Surety Bulletins
420 East Fourth Street • Cincinnati, Ohio

Private offices for the two members of the firm, E. B. and F. R. Bloom, and a directors' room have been provided. A feature of the building is a Spanish patio in the rear having potted plants, a miniature waterfall and a fish pool. The agency is one of the largest in the state and has an annual payroll in excess of \$27,000.

Approve Virginia Manual Changes

The Virginia corporation commission has approved amendments to the Virginia fire manual, the amendments consisting of certain changes in the use and occupancy rates and rules and in the lightning exemption clause. The amendments are designed to broaden the coverage and in some instances will reduce rates.

Oklahoma Water Supply Low

OKLAHOMA CITY, Aug. 8.—H. J. Clark, chief engineer Oklahoma Inspection Bureau, who just returned from a trip through much of the state, reports domestic water supply is being restricted in many towns, but most of them have reserve supply for fire emergency. He found Hobart in the most precarious condition. Enid and Elk City are both limiting consumer service. Tulsa, Okla-

homa City and most of the medium-sized cities have ample supply but if relief does not come within 30 days a serious situation would ensue. With the present supply Oklahoma City can carry on with no fear of water shortage until November. Tulsa, Ponca City and Muskogee are in even better condition.

Plan Oklahoma City Inspection

The Oklahoma Fire Prevention Association will inspect Oklahoma City the week of Nov. 5. R. E. Vernor and H. K. Rogers of the Western Actuarial Bureau, Chicago, will be the principal speakers. The Oklahoma City local board is cooperating with the field men in making plans for the inspection and President M. B. Breeding of the board will appoint a committee to assist in working out details.

Oklahoma Farm Hazard High

OKLAHOMA CITY, Aug. 8.—Not for more than 30 years has the fire hazard in Oklahoma farm property been as great as at present, according to Carl Lund, America Fore. Many fires are occurring in rural districts with the loss on farm residences almost as on out-buildings and barns, he said. Everything is so dry and grass fires so dangerous

that the least little spark means a fire in the surrounding out-buildings.

Tom W. Burrow, adjuster of the Fire Companies' Adjustment Bureau, says grass fires are very numerous, frequently result in fire loss on farm houses and out-buildings, which has materially increased during the hot dry months. Trash fires, he points out, have proven a definite menace in the smaller towns.

Martin Host to Agents

L. R. Martin of Pocahtontas, manager of the Arkansas Association of Insurance Agents, was host to agents of Groups 1 and 4 at a picnic on Current river. All agents, together with fire and casualty company men, were invited.

Presidents' Council Formed

An executive council has been created within the North Carolina Association of Insurance Agents to be composed of past presidents. The presidents' council is given broad authority and may hold meetings at will. The council may be called in consultation at the request of the president of the association. Members of the presidents' council are ex-officio members of the board of directors without power of vote, however.

The first president of the North Caro-

lina Association of Insurance Agents was Alexander Webb, who served from 1899-1900.

Mr. Webb is president of the North Carolina Home, one of the Great American companies.

President McAlister Carson of the North Carolina association has requested Francis Womack of Reidsville to compile a biographical history of the North Carolina association.

Mauk at Mineral Wells

R. S. Mauk, state fire insurance commissioner, was honor guest at a meeting of the Mineral Wells (Tex.) Insurance Exchange. He was at Mineral Wells attending a meeting of the State Fire Marshals Association. D. G. Foreman, secretary Texas Association of Insurance Agents, was also a guest at the meeting.

Bruce in New Richmond Agency

C. H. Bruce, with the R. B. Augustine & Co. agency, Richmond, Va., for several years, has left that connection to form a partnership with W. H. Branch, who has been operating an agency under his own name there for

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(Continued next page)

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some years, the style of the new firm
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Form Sweetwater Exchange

The Sweetwater Insurance Exchange
has been organized at Sweetwater. B.
H. Geldert is president and George M.
Thompson, secretary-treasurer. It is the
50th agents' organization actively at
work in Texas.

F. M. Drake Wins Nomination

LOUISVILLE, Aug. 8.—F. M.
Drake, former state agent in Kentucky
for the North America and other com-
panies, more recently an attorney spe-
cializing in insurance, was successful in
his race for the Republican nomination
for congressman from the third district.
W. A. Perry, local agent of Louisville,
appeared beaten for the Democratic
nomination for judge of the court of ap-
peals, in incompleting returns.

Miller Oklahoma City Speaker

R. M. Miller, manager Oklahoma
Audit Bureau, spoke at the meeting of
the Associated Fire & Casualty Under-
writers of Oklahoma City Monday.

Harrison Simrall, 57, veteran Lexing-
ton, Ky., agent, died from heart disease
following a long illness.

News of Pacific Coast States

Stevens Reports on Phoenix

Surveys Conditions, Finding Reorgani-
zation of Fire Department Planned
By Citizens Group

Fire companies operating in Arizona
are more optimistic over the future in
Phoenix since the recent visit of Jay W.
Stevens, chief of the fire prevention bu-
reau of the National Board, who made
a second trip after application of an ad-
ditional 25 percent in fire insurance rates
because of bad conditions existing there
for several months.

Mr. Stevens reported to the companies
within a few hours after his return,
informing the managers of the progress
made, activities of a citizens committee
to enforce discipline in the fire depart-
ment and the possibility of having a well
known fire chief reorganize the depart-
ment and direct it for a short time un-
til the situation is remedied.

Mr. Stevens said Mayor Jenckes
agreed to consider the plan and T. R.
Baird, the chief who reorganized the
Fresno and Mill Valley departments
under somewhat similar conditions, is
understood to be in Phoenix conferring
with the officials.

Mr. Stevens' visit is understood to
have caused a political furor, and a
special meeting to amend the city char-
ter is planned in order that better con-
trol of the city manager may be ob-
tained.

Mr. Stevens addressed Insurance Post
404 in San Francisco, giving highlights
of the Phoenix situation and reviewing
excellent work done by the San Fran-
cisco fire department during the recent
industrial strike.

Montana Program Announced

C. F. Liscomb, R. E. Laley and Com-
missioner Holmes Are Among Those
Scheduled to Address Convention

The completed program for the annual
meeting of the Montana State Associa-
tion of Insurance Agents at Great Falls,
Aug. 21-22 is announced by President
C. R. Lowery of Great Falls.

The meeting will open the morning
of Aug. 21 with an address of welcome
from R. C. Bricker, secretary chamber
of commerce. The response will be by
Arnold Huppert of Livingston, vice-

president of the association. Secretary W. W. Huntsberger of Great Falls will report and he will be followed by Mr. Lowery and Mr. Huppert. Peter Yegen, Jr., will report for the membership committee. There will be reports from the three regional vice-presidents, P. J. Driscoll, W. E. Kier and W. R. Calvin.

In the afternoon there will be an address by Commissioner J. J. Holmes of Montana and this will be followed by an address from J. H. Rowe. E. E. McMahon will report for the contact committee. There will be an address by R. E. Laley, manager Pacific Coast branch National Bureau of Casualty & Surety Underwriters. The banquet will be held that evening.

The next morning there will be an address by D. S. Thomas on the subject of the National Board rating schedule. Then the convention will hear from Clyde C. Oakes of the Fire Companies Adjustment Bureau. In the afternoon there will be an address from a representative of the special agents' association and he will be followed by C. F. Liscomb, member executive committee National Association of Insurance Agents, whose subject is "N. A. I. A. in the Alphabetical Age."

Agents Approve Board Plan

East Bay Association Accepts Substitute Coalition Proposal Calling for Joint Committee

Members of the East Bay Association of Insurance Agents have voted unanimously to accept provisions presented by the Pacific Board in lieu of the original coalition agreement submitted by the agents to the companies early this year. At that time the agents requested individual companies to sign the agreement but many referred the matter to the board. After several conferences the board appointed a special committee to negotiate with the agents, and the plan approved by the agents resulted. The modus operandi of the plan is being jealously guarded, for the time being at least.

Create "East Bay Committee"

The program presented Aug. 2 to the East Bay association by the board, based largely upon the original desires of the agents, although modified to a great extent provides for creation of a special committee by the board to be known as the "East Bay Committee." The agents are to have a similar committee. Board companies will agree not to maintain existing agencies or newly appointed agents found not to be bona fide, the status to be determined by the joint committee.

The Pacific Board statement acted upon by the agents explained that all new agency appointments made by a member in the district within two days should be submitted to the joint committee.

"While the companies recognize the value of membership in the association," the board stated, "the question of agents joining is entirely between the agents and the association, and such membership shall not be a prerequisite for the approval of any agency appointment, nor considered by the East Bay committee in their deliberations. Whenever all agents in the East Bay territory have become members of the association, the association will require its members to represent only companies members of the board."

Los Angeles Losses Lower

LOS ANGELES, Aug. 8.—Fire Chief Scott reports fire losses for the fiscal year ending June 30 were lower in Los Angeles than at any time in the last ten years. The total loss was \$957,545, compared to \$1,201,390 for the previous fiscal year, and represents 80 cents per capita. The loss per capita in Los Angeles in 1933 was \$1.14, compared with an average loss through the country of \$3.26 per capita. The department budget

was reduced \$1,000,000, and it will operate this year on a further reduction of \$200,000. The operating cost, he stated, is lowest of any of the large cities in America.

Parrish With Rolph Firm

SAN FRANCISCO, Aug. 8.—George M. Parrish, who recently resigned as Pacific Coast manager for the Marine Office of America, has been appointed assistant general agent of Rolph, Landis & Ellis, in which capacity he will devote most of his time to marine lines. Mr. Parrish became manager of the Marine Office of America in 1930, establishing its Pacific department when it took over the marine business of the Niagara. Formerly he was with the Niagara, establishing that company's marine office on the coast in 1920. Coincident with Mr. Parrish's appointment, Rolph, Landis & Ellis become general agents for ocean and inland marine for the Continental.

New Denver General Agency

DENVER, Aug. 8.—The Rocky Mountain Insurance Agency, a new general agency, has been opened here with offices in the Steel Building. Elmer W. Watson is manager. He came here from New York. The new agency is handling the Firemen's, General of Seattle, Buffalo and Northwestern National.

Many at Special Agents' Picnic

Some 300 or more Los Angeles insurance men attended the annual stag picnic of the Special Agents Association of the Pacific Southwest at the Uplifters Ranch, near Santa Monica. The program included baseball games, races and swimming events, as well as other sports, concluding with a dinner.

Eastern States Activities

Big Buffalo Waterfront Loss

Freight Warehouse Razed With Damage of \$600,000 to \$1,000,000—Fire Destroys 393 New Automobiles

BUFFALO, Aug. 8.—Damage in the fire here Sunday which destroyed the long waterfront warehouse of the Buffalo Freight Terminal & Warehouse Co. has been estimated at from \$600,000 to \$1,000,000. It formerly was owned and operated by the Lehigh Valley Railroad, but more recently has been under lease to the warehouse company, which in turn had leased nearly all of the space to the Nicholson Universal Steamship Co., which transports automobiles by way of the Great Lakes.

The fire destroyed 393 new automobiles, but three being saved. High value property nearby was saved after an all-night battle. The loss is the heaviest sustained here in recent years.

New Jersey Underwriters Group to Meet Sept. 7-8

NEWARK, Aug. 8.—The annual meeting of the New Jersey Association of Underwriters will be held at Atlantic City, Sept. 7-8. The first evening there will be a get-together dinner, followed by an entertainment and dance. The regular business meeting will be held Saturday, with reports of committees and of President W. G. Hurtzig. This will be followed by election of officers.

The afternoon session will open with addresses by prominent insurance executives. It is expected that there will be a large attendance of members as this is

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the first time the annual meeting has
been held at the week end.

Change in West Virginia Agency

C. H. Dawson has retired as manager
of the T. H. B. Dawson & Son agency,
Berkeley Springs, W. Va., and has been
succeeded by his brother, J. M. Dawson.
The firm was established 65 years ago
by the late T. H. B. Dawson, who with
his older son, Irvin Dawson, managed
the business for many years.

Considering Sigison Successor

BUFFALO, Aug. 8.—Although a
number of applications, including two
from local agents of this city, have been
filed for the office of manager of the
Buffalo division of the New York Fire
Insurance Rating Organization, vacant
since the death of E. H. Sigison some
weeks ago, it is understood no selection
will be made until some time next
month. The governing committee, of
which W. F. Dooley, vice-president of
the America Fore group, is chairman,
desires further time to consider the
merits of each of the applicants and,
presumably, of others who have not
sought the post.

Pacific National Appointment

W. A. Waters, manager of the newly
opened eastern department of the Pa-
cific National Fire, announces that the
E. J. Freeman agency will be appointed
Philadelphia agents. W. L. Wallace,
vice-president of the Pacific National
Fire, who has been in Philadelphia for
about two weeks, plans to remain there
another week until the eastern depart-
ment is completely established.

Motor Insurance Events

Kansas City Thefts Mounting

Rickards Confers with Local Men There
—Further Increase in Rates
Threatened

KANSAS CITY, MO., Aug. 8.—The
insurance committee of the chamber of
commerce, of which Cliff C. Jones is
chairman, has referred to the directors
of the chamber a recommendation that
steps be taken to have the Missouri
legislature enact a law making it a
criminal offense to possess motor car
theft tools and equipment.

The action was taken after E. L.
Rickards, manager Automobile Protec-
tive & Information Bureau, Chicago,
told about 20 insurance men who at-
tended the meeting that mounting motor
car thefts in Kansas City probably
would lead to an increase in rates here.
Kansas City now has the highest rates
of any city in the country except Chi-
cago.

Before Mr. Rickards spoke, Mr. Jones
said thefts here are increasing at such
a rate that Kansas City rapidly is ap-
proaching the condition Chicago found
itself in a year ago. At that time con-
ditions there improved materially, due
to civic activity.

O. P. Higgins, director of police,
criticized insurance companies because
they fail to prosecute, charging that they
pay for the loss of accessories without
investigation. Consequently the assured
drops the matter. He said there are
three rooms at police headquarters filled
with motor car equipment, the owners
of which the police cannot locate.

Mr. Rickards said that when a mo-
torist is willing to prosecute, he receives
phone calls and threatening letters and
declared the police should stop such in-
timidation. Mr. Higgins replied that
persons who allow a letter or phone
call to intimidate them lack intestinal
stamina. He said companies should in-
sist that assured go to police headquar-
ters to identify their recovered goods.

"I understand from investigation

here," Mr. Rickards said, "that the po-
lice do a very good job in recovering
motor cars and in arresting offenders,
but that the latter are released too fre-
quently by the courts. I understand
there are from 70 to 80 stripping losses
here a month, which means virtually a
total loss. I have been around over the
city and it seems to me there are too
many places apparently fences. There
couldn't possibly be so many legitimate
second-hand motor car dealers in a city
of this size."

Commenting on the recommendation
of a state law, George Oppenheimer said
he doubted if such a measure would be
materially beneficial. He believes pub-

lic opinion must be aroused before the
situation will be remedied to any ex-
tent.

Can't Write Valued Form

Inquiry has been made of THE NA-
TIONAL UNDERWRITER as to whether the
issuance of the valued form automobile
policy is permissible in Iowa. J. W.
Kimball, chief examiner of the Iowa de-
partment, states the department does
not permit the issuance of such a pol-
icy, under ruling issued several years
ago consisting of an extension of the
provisions of section 8976, 8977 and 8978
to include automobile insurance.

GULF INSURANCE COMPANY

(Rated A Plus)

and Affiliated

ATLANTIC INSURANCE COMPANY

(Rated A)

DALLAS, TEXAS

● These financially sound and reputably
managed companies give business getting
service in Illinois, Indiana and Ohio—
writing Fire, Windstorm, Full Coverage
Automobile and Plate Glass Insurance

National Inspection Company

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This corporation reports on the underwriting aspects of heavy manufac-
turing and mercantile properties throughout the following states:

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Reliable Fire Insurance Co.

DAYTON, OHIO

Surplus to Policyholders \$988,081

An independent Ohio Company with a record of more than
68 years of honorable dealing with Agents and Assureds

EMPLOYERS REINSURANCE CORPORATION

Condensed Statement as of June 30, 1934

ASSETS

Cash in Banks and on Hand	\$ 814,838.49
Bonds, Market Value	
United States Government	\$1,531,112.91
Canadian Government (Statutory Deposit in Canada)	100,750.00
State, County and Municipal	4,021,405.00
Industrial	335,180.00
Railroad	196,163.75
Total Bonds, Market Value	\$6,184,611.66
Stocks, Market Value	607,657.91
Total Bonds and Stocks, Market Value	6,792,269.57
Mortgage Loans	816,488.82
Real Estate	256,171.28
Collateral Loans	12,000.00
Premiums in Course of Collection (Under 90 Days)	1,133,325.52
Interest Accrued	102,037.22
Estimated Amount Recoverable from Bank in Liquidation	26,401.66
Reinsurance Recoverable on Paid Claims	16,451.09
Total	<u>\$9,969,983.65</u>

LIABILITIES

Loss Reserve: Liability and Compensation (Schedule P Basis)	\$2,861,569.45
Loss Reserve: Other Classes, including Investigation Expense	379,936.19
Total Loss Reserves	\$3,241,505.64
Reserve for Unearned Premiums	2,728,393.19
Commissions Accrued on Premiums	409,944.97
Reserve for Contingent Commissions	206,157.40
Reserve for Miscellaneous Bills	7,500.00
Reserve for State and Federal Taxes	126,512.13
Special Reserve	249,970.32
Total Liabilities	<u>\$6,969,983.65</u>
Capital	\$1,500,000.00
Surplus	1,500,000.00
Total Capital and Surplus	3,000,000.00
Total	<u>\$9,969,983.65</u>

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Ehmann & Co.

The National Underwriter

August 9, 1934

CASUALTY AND SURETY SECTION

Page Twenty-three

Companies Watch the Rising Tide

See That Automobile Accident Frequency Is Much on the Increase

SPEED CAPACITY DANGER

General Finding Is to Watch More Carefully the Selection of Automobile Risks

NEW YORK, Aug. 8.—Casualty officials realize that in addition to the yearly catastrophe of workmen's compensation losses they are confronted with another problem not as serious and yet one which will tend to weaken their position. Companies have found that this year accident frequency as far as automobile liability claims are concerned has increased greatly, as well as the severity of losses. There are more death claims than usual and major injuries are on the increase.

Blame Speed Capacity

Those that are making a careful analysis of causes say that the greatest is the increased speed capacity of the lower priced cars. Some underwriters declare that they would rather take a higher priced car with 15 per cent off the manual rate than lower priced cars with a 15 per cent increase over manual with their present speed potentiality. Undoubtedly the increased speed capacity has had a very unfavorable effect so far as accidents are concerned. People driving these cars evidently catch the speed spirit, are inoculated with the virus and want to travel as fast as the machine will go.

Temptation to Go Fast

There is the temptation to step on the gas and with the excellent roads and streets the higher speed is putting cars beyond control at crossings or where danger is confronted. Furthermore, intoxicated drivers are causing more accidents. Chicago, for example, is showing a far darker record so far as automobile fatalities and accidents are concerned.

One result of the increase in accidents is the tendency to curtail further issuance of any special liberal policies or the granting of any further concessions. There is also a damper on any further decrease in rates, because company officials realize that they are coming out at the wrong end of the horn if this disastrous experience continues. Some companies are beginning to retrench here and there and become more conservative in their selection. They have granted lower rates for improvised groups or given a favorable experience rating but now find it necessary to get more premium income.

Field managers say that thinking and experienced agents are not looking for company bargains these days. Many of them have had their fill so far as ultra-

Non-Statutory Regulation of Compensation Sought

MICHIGAN PARLEY CALLED

Commissioner Seeks to Bring All Companies Into a Bureau Under Authority of Broad Powers

An attempt to bring about compensation rate regulation in Michigan without legislation will be initiated Thursday of this week by Commissioner Gauss of that state at a meeting with company representatives which he has called in Detroit. Mr. Gauss is interested either in causing to be established a voluntary bureau in which all companies would participate or by having the National Council on Compensation Insurance open a Michigan branch office for rate making purposes.

Such a bureau would function much in the same fashion as does the Michigan branch of the National Bureau of Casualty & Surety Underwriters, except that all companies would be required to accept its regulation. Whether the various interests can be brought together under a voluntary plan is, of course, uncertain. Some observers feel that regulation cannot be brought about except through legislation.

In announcing the conference, Commissioner Gauss recalls that the Michigan department has ruled out equity or judgment rating in compensation and the commissioner wants a branch established that would promulgate rates on an experience basis.

The department feels that specific legislation is not necessary for creation of this instrumentality. The Michigan authorities will seek to invoke the broad powers under the insurance laws to prevent rate discrimination.

Maryland Casualty Contest Offers Prizes Totaling \$200

Two contests are announced by President Silliman Evans of the Maryland Casualty, one for a new name for "The Budget," the company's publication, and the other for new ideas for its contents. Many prizes totaling \$100 in cash are offered in each contest. Judges in the title contest will be H. E. Corner, instructor in advertising John Hopkins University; Brooks Hering, advertising department "Time" magazine and J. S. Armstrong, financial editor the "Sun," Baltimore.

liberal companies were concerned. Those that have been noted for granting concessions in the way of lower rates or paying high commissions or being very liberal in acceptance of risks are being cast aside because trouble is always ahead for such enterprises. The well-informed agent is looking to conservative, experienced companies to save him from embarrassment with his customers. He has become tired of apologizing for failures. While at times an agent may use pressure to save his business in competition, he is not insisting that a company try to squeeze more than 100 cents out of a dollar.

Parleys on Occupational Disease Held in New York

ISSUE OF VITAL IMPORTANCE

Decision of North Carolina Supreme Court Causes Concern Since Rate Increase Was Denied

NEW YORK, Aug. 8.—Aroused by the recent decision of the supreme court of North Carolina in the case of Cabell McNeely vs. Carolina Asbestos Co., in which it was held that the illness of the plaintiff was the result of an occupational disease and hence compensable, representatives of the National Council on Compensation Insurance and National Bureau of Casualty & Surety Underwriters have held a series of conferences on the subject, though deferring action until further legal advice is obtained.

The court decision, despite the feeling of Commissioner Boney that it may be reversed upon appeal, and the thought that it will not guide the industrial commission in reviewing future cases, yet stands, and casualty officials feel it will prompt the filing of additional claims. As the North Carolina rates were not loaded for any such contingency, and as Commissioner Boney recently denied the application of the carriers for an increase in rates shown by experience to be justified under regular compensation lines, executives are much concerned.

Wants Limits Determined

The rate committee of the National Council was asked to place a limit of liability under paragraph 1B of the compensation contract, so that carriers may know the extent to which they may be called upon to pay, something they cannot do at present, where no limit is defined. This broad coverage was adopted by the carriers years ago to assume such liability as might be imposed upon employers where the compensation was not fixed by statute. The failure to fix limits resulted in companies being called upon for heavy payments in New Jersey when claims were filed against a large radium using plant and again against concerns where the silicosis hazard exists.

Where, as in New York and certain other states, the liability of employers for the injury or death of employees as the result of specified occupational diseases is set forth in the statutes, compensation rates are loaded for the coverage. To extend liability to cover all occupational hazards and particularly without rate loadings of any kind, would be fatal to the companies.

Rate Filing Rejected

Early in June the companies made a filing for an increase in compensation rates in North Carolina. This was turned down by Commissioner Boney. Subsequently came the decision of the North Carolina supreme court, which is construed by many casualty executives as bringing practically all occupational diseases under the North Carolina compensation law, and which, if true, means that they cannot be excluded under the occupational disease exclusion rider being used by the companies. As a consequence of that decision, the companies then made a filing for an increase

(CONTINUED ON PAGE 32)

O.L.T. Rates Are Generally Raised

Alignment of Territories Changed to Meet Differential Shown by Experience

EFFECTIVE DATE AUG. 4

Five-Year Record Shows Advance in Loss Cost—Classifications Changed in Manufacturers Liability

NEW YORK, Aug. 8.—As the result of extended study of experience of company members of the National Bureau of Casualty & Surety Underwriters, revised rates for owners', landlords' and tenants' public liability covers became effective in virtually every section of the country on and after Aug. 4. The new rates in all of the states affected are substantially increased.

In notifying of the important move, General Manager J. A. Beha of the bureau points out that the previous general rate revision for the department was made in 1925, "and it is not surprising, therefore, that the current revision produces material changes in the rates for many classifications." He further advises that, "in order that insurance rates be established on an adequate basis, provision must be made not only for the actual losses arising from damage claims, but also for the incidental expenses of conducting the business, such as the investigation and adjustment of claims, administration, taxes, production costs and inspection service."

Losses Greatly Increased

In Greater New York the loss cost for the five-year period reviewed increased approximately 16 percent, while in the balance of the state the increase was 25 percent.

In compiling experience data, separate classifications were made for Chicago, Jersey City and Newark, Pittsburgh and Philadelphia, Kansas City and St. Louis, San Francisco, Oakland and Los Angeles, Minneapolis and St. Paul, Boston and vicinity, and Cleveland, aside from that of the rest of their respective states, while Connecticut, Rhode Island, Maryland, Washington and Oregon were treated as a whole. In every field, whether as to the particular cities above mentioned or as to the states generally, the record of loss cost was considerably in excess of the permissible ratio.

Comments on Chicago Losses

Mr. Beha commented on Chicago's record:

"The loss experience has developed so adversely that the ratio of the losses incurred to the premiums at existing rates has materially exceeded the loss ratio contemplated under those rates. This is demonstrated by the fact that there has been a great increase in loss costs during the five-year period of ex-

(CONTINUED ON PAGE 32)

Sales Wisdom Is Presented by Lee In Talk to Agents

Pertinent sales thoughts were expressed by Phillip F. Lee, vice-president of the United States Fidelity & Guaranty, at a recent meeting of the western Pennsylvania agency:

"I do not believe in high-pressure salesmanship. I think that the day of the high-pressure salesman ceased in October, 1929, and it is not likely that a place will be found for him in the scheme of things for some time to come.

"The more you expose yourselves, the greater the law of average will work in your favor.

"Sell your service and sell your companies and their stability. If an assured



PHILIP F. LEE

knows enough about his company to have confidence in it he is not likely to be persuaded to give his business to a cut-rate competitor.

"Take a keen and unselfish interest in all civic affairs, and you will be amply repaid.

"Remember that a knock is a boost. If you will attend to your own knitting you will find the structure of your agency growing.

"See to it that your word is always kept, and do not be afraid to say 'no' when the facts and occasion demand it.

"Opportunity may knock, but it must be dragged in.

"Do not let your overhead eat you up.

* * *

"Do not scorn a 50 cent or a \$2 transaction. These often lead to business of greater moment.

"Plan your work ahead and do not always canvass on Main street. Business will be found on many side streets where new and smaller smoke stacks are giving forth smoke stoked by a younger generation.

"Let's quit worrying about cut-rate competition. Like the poor, we will always have it with us, and there is plenty of business for the real insurance agents and the substantial insurance companies.

* * *

"Through the process of elimination, the field is being largely cleared for those who legitimately belong to the insurance fraternity. Up to 1929 there was a constant stream of newcomers to the business—men with no sales ability and little knowledge of the business, either brought in by relatives or attracted by the large volume of 'easy' business.

"The agent of today is keener-witted than ever before. The influence of the lean years sharpened his instinct for

Companies Quiz Agents in Popularizing Residence Line

PROFITABLE BURGLARY COVER

Many Underwriters Believe Lower Rates or Broader Protection Would Be Desirable

With a view to popularizing residence burglary insurance, agents at the larger centers throughout the country have been asked by their companies for an opinion as to how in their judgment the desired end could best be attained; whether through reduced rates or broadening of the contract. Sufficient responses to the inquiry have not been received to afford a basis for decision by the managers.

Residence burglary always has been a cover attractive to companies, being generally profitable, and for years managers have studied ways and means for extending its popularity, particularly in smaller towns. Rates, however, have thus far proved a stumbling block to widespread sale of the contract, the cost being deemed too high for the average prospect. The great percentage of risks come from the large cities.

Meets Success on Coast

On the Pacific Coast a non-conference company is reported to be meeting with considerable success in the sale of a modestly priced residence policy, and many underwriters believe that a contract of like character and rate could be made popular generally. Whether such program will later be determined upon will be governed very largely by the character of responses secured from men in the field to the inquiry.

Though one of the smaller lines of casualty insurance, so far as premium volume is concerned, burglary insurance has been one of the most desirable from a profit-producing standpoint.

A tabulation of the National Bureau of Casualty & Surety Underwriters shows that in the seven years, 1927-1933, inclusive, companies reporting to the New York department received aggregate premium income of \$204,640,396, with underwriting gain of \$27,463,054, or 13.4 percent on this line.

Auto Accident Rise Is Not Due to Repeal, Burns Holds

KANSAS CITY, Aug. 8.—F. Highlands Burns, chairman of the Maryland Casualty, said here that "repeal hasn't brought any great increase in automobile accidents. In the first six months of 1933 our records show that 1.66 percent of all accidents were due to drunken driving. In the first six months of 1934, the record is 2.36 percent of all our accidents due to that cause.

"Carelessness in driving is largely responsible for motor car accidents," he said. "Automobiles are geared for high speed and often accidents occur when cars in traffic get out of line in order to attempt passing."

business—"necessity being the mother of invention.

* * *

"We must do more advertising and educate the public. It is surprising how little the insuring public knows about insurance, and you as agents must carry the gospel to them.

"We must seek 'profitable premiums.' By that term I mean, premium charges adequate to enable the company to render service and to stand back of the indemnity assumed within the terms and conditions of the obligation; those premiums that are willingly paid in return for the service features of the transaction and not those premiums that are paid with the idea that the purchaser will get back from the company what he put in plus the service."

Burns Believes Carriers Should Quit Comp. Line

KANSAS CITY, Aug. 8.—Termining compensation a socialistic type of coverage, F. Highlands Burns, chairman of the board Maryland Casualty, said here that he did not believe compensation insurance should be written by private companies, because rates are fixed by the states and private companies are not making any money in the field.

He expressed belief that states will eventually have to take over the line and state governments will eventually write it. New York and California, he pointed out, have state compensation funds. He said his company is willing to give up the compensation field to the states.

California Acquisition Cost Conference Is Strengthened

SAN FRANCISCO, Aug. 8.—A general strengthening of control of the California conference on casualty acquisition and field supervision cost was voted into the constitution just prior to Aug. 1 when rules of the conference became effective. While, under the original setup, registered general agents of members had pledged themselves to adhere strictly to the proper commission schedules, provisions for dealing with violations were considered rather weak.

Under the rules as amended at a meeting held in San Francisco, if a registered general agent violates the pledge he may put his general agency in jeopardy and furthermore, if a principal representative of a member connives at, or knowingly tolerates, any evasion or violation of the letter or spirit of the rules by such registered general agent, the conference member shall be considered as an accessory and be dealt with accordingly.

The amendments also place in the hands of R. E. Fay, permanent chairman, additional broad discretionary powers for establishment of intent to violate the rules.

In New Connection



JOHN L. MEE

John L. Mee, formerly vice-president and head of the agency department of the National Surety, who takes charge of the fidelity and surety department of C. W. Sparks & Co. of New York City, is one of the well known men in his particular line. Mr. Mee personally is popular and is right at home in production work.

Ask for Illinois Ruling on Occupational Disease

ISSUE IS BADLY CONFUSED

Industrial Commission Requests Opinion From Attorney General Because of Supreme Court Decision

Because of the recent Illinois supreme court decision in inserting the word "or" into the ambiguous section 2 of the occupational disease act of that state, the Illinois industrial commission has solicited of the attorney general an opinion as to the legality and effect of the endorsement, now being used by compensation writing companies to exclude liability for occupational diseases which are not covered under the compensation act. Until recently when the Illinois supreme court handed down its decision, casualty men generally assumed that limited types of occupational disease entitled the sufferers to compensation benefits in Illinois. They assumed that the employees to recover because of disability or death owing to occupational diseases, such as silicosis, must sue the employer of common law. Therefore the companies have been attaching to their compensation policies endorsements, excluding liability for those occupational diseases, not covered under the compensation act. Where it was desired to cover all occupational diseases, an endorsement has been available specifically including such liability at an additional premium.

Now the big question is whether the Illinois supreme court in inserting the word "or" does not bring under the compensation act a host of occupational diseases, heretofore regarded as not being covered.

Attorney Charles C. Kirk of Chicago, writing in this week's NATIONAL UNDERWRITER, takes the position that the fears of those who construe the supreme court decision as greatly extending the scope of the occupational disease act, are groundless. However, section 2 is badly garbled and it seems to be open to various constructions, either with or without the word "or" inserted.

Apparently the Illinois industrial commission is at sea and is eager to have some definite expression from the attorney general.

Although the Illinois supreme court decision may not eventually turn out to have broadened the scope of the occupational disease act materially, casualty people are concerned, because the decision invites litigation. There is certainly room for diverse construction and the situation thus created is one that is likely to produce vexatious and costly litigation.

Brokers Issue Questionnaire

The Insurance Brokers Association of Illinois has sent out a communication to members on the occupational disease question. Because of the great confusion surrounding this question, the brokers take the position that all occupational diseases should be included under the compensation act and the companies permitted to increase the rate in proportion to the hazard of each industry. A questionnaire was included upon which the members are requested to indicate what experience their assured have had with occupational diseases. The brokers contend that the issuance of riders, excluding common law liability so far as occupational disease is concerned, creates a gap in the coverage. Unless this is corrected, the brokers argue insurance will be bitterly attacked.

Even where the occupational disease hazard is regarded as remote, there is no assurance that the employer will not be imposed upon, the brokers state. Unscrupulous lawyers are working with the same kind of doctors and are making hay. Even employers of a household servant are not exempt from the danger of an occupational disease claim.

Hospitalization Insurance Forms and Rates Discussed

COMMITTEE IN FIRST SESSION

Comparison Is Made of Insurance Com- pany Plans and Those Offered by Hospital Groups

The special committee of the Health & Accident Underwriters Conference which was authorized to work out further details of the plan for writing hospitalization insurance, endorsed by the the conference at its recent annual meeting, held its first session in Chicago Monday. The committee is composed of executives of Chicago companies and one or more representatives of five of those companies were in attendance, together with Harold R. Gordon, executive secretary of the conference.

A difference of opinion developed as to whether the coverage provided should be on an allocated basis, with specified limits for hospital room, operating room and other expenses incident to hospital confinement, or whether there should be merely a per diem limit, applicable to all such expenses. It was decided that C. O. Pauley, secretary Great Northern Life, should draft a form for the proposed hospital supplement, based on that now used by his company, which puts the coverage on a lump sum per day basis, and Mr. Gordon based another on the tentative form presented at the conference meeting, providing for allocation of expense. These will be taken up for consideration at another meeting to be held in a week or ten days.

The committee also had difficulty in agreeing on a proper rate for the coverage, which will likewise be considered at that meeting.

TWO PLANS ARE COMPARED

NEW YORK, Aug. 8.—Entry of group writing companies into the hospitalization insurance field has brought up comparisons of such plans with those offered by hospitals or groups of hospitals, the particular advantages of each system, and whether the presumably greater actuarial and financial resources of the insurance companies do not give them the same superiority over private plans as the group pensions underwritten by life companies have over the ordinary pension system.

As to financial stability, most of the hospital-operated plans seem perfectly sound. Such a system is a one-year term proposition. The hospital or group of hospitals commits itself to no distant future obligations. It promises benefits in kind rather than in cash, so that even if it should lose money in any given year, the loss will not be so heavy as if it had to pay out cash in the amount of the hospital benefits it provides. The hospital-operated plan has had considerable experience and there are a number of successful examples of such plans.

No Great Conflict in Plans

Hospital-operated plans and insurance company plans do not conflict so much as might be supposed. The hospital plan provides more or less complete hospital care for a fairly limited period, usually up to about 21 days, sometimes with a discount where the limit is exceeded. The insurance company plans pay up to \$3 a day toward the insured's hospital expenses up to 10 weeks, also special operating room and anaesthetic charges up to \$15 in any one year.

The \$3 benefit is not expected to cover the entire hospitalization expense, but the companies want to keep the benefit down to a figure which will curb adverse selection. On the other hand, the insurance benefit is payable no matter where the insured might happen to be when he needed treatment, whereas the hospital-operated plan applies only at the hospital issuing the policy or at

Iowa Speaker



GEORGE H. MOLONEY

Among the speakers at the meeting of the Iowa Association of Insurance Agents in Council Bluffs, Aug. 20-21, will be George H. Moloney of Chicago, vice-president of the Hartford Accident. Mr. Moloney is sure to have a message of interest.

More Assessment Operators Indicted in California

A new batch of indictments has been returned in Los Angeles by a United States grand jury in the campaign there to halt the operations of the various assessment concerns, who have been flooding the country with soliciting literature. The latest to be indicted are M. D. King and C. L. King. The former is president and the latter vice-president of several concerns, among them being the Interstate Life Association, American Life Association, All-American Association, Master Life Insurance and Great States Life Association. The indictments allege that the principal misrepresentation was the promise to the "prospect that \$1,000 would be paid for death from any cause without question." Death claims are reported to have been avoided on technical grounds. H. J. Heurman and M. T. Emanuel, other officers, are expected to surrender.

On Metropolitan Service Only

G. E. Babbitt of the Royal Indemnity will now confine his attention exclusively to the New York metropolitan department of the company in charge of boiler and machinery. Heretofore he has been handling both local and country-wide business of this class. He has been with the Royal Indemnity since 1912 when its boiler and machinery department was established. He is an authority on this phase of the business.

Lanphar Agency Appointed

The well-established Lanphar agency of Detroit has been appointed general agent of the Standard Surety & Casualty.

other hospitals allied with it in the insurance plan. The longer period during which the life company benefit is paid is also a feature not found in the hospital plan.

While the hospital-operated plan theoretically requires no building up of reserves, since it is one-year term obligation, actuaries believe it would be sound practice for such systems to build up reserves against the possibility of epidemics or disasters, so that there would not be too heavy a drain on their facilities during any given year.

Contends Scope of Illinois Disease Act Is Not Extended

By CHARLES C. KIRK

Mr. Kirk, a Chicago lawyer, who has written several articles for THE NATIONAL UNDERWRITER on the occupational disease question, herein takes the position that the recent decision of the Illinois Supreme court, in inserting the word "or" into section 2 of the occupational disease act of that state, did not bring under section 2 and, therefore, under compensation, many occupational disease cases, including silicosis, heretofore construed not to be so covered. He is located at 111 West Monroe street and is glad to answer inquiries.

The recent decision of the Illinois supreme court in the case of Burns vs. Industrial Commission, 356 Ill. 602, has caused considerable discussion and inquiries as to what extent, if any, the court has modified section 1 or 2 of the occupational disease act.

There is a belief among insurance men generally that this decision affects section 1 in that many diseases that were heretofore under section 1 are now, as the result of this decision, placed under section 2.

It will be recalled that section 1 provides that "every employer engaged in a work or process which would produce any illness or disease peculiar to the work or process or subjects the employee to the danger of an illness or disease incident to such work or process to which employees are not ordinarily exposed in other lines of employment, shall adopt and provide reasonable and approved devices, means or methods for the prevention."

Employment of Deceased

In this case, the deceased's employment brought him into contact with a solution of lye which was used to remove paint and shellac from mirrors and in instances where the lye treatment was not successful, nitric or muriatic acid was then applied. In such event the mirrors were immersed in a solution of muriatic acid diluted with water, or in some instances, old silver was removed with the use of nitric acid applied with a swab attached to the end of a stick.

The supreme court reversed the finding of the industrial commission, one of the causes for such reversal being the insufficiency of the medical testimony and the facts relative to the use of muriatic acid and nitric acid. The testimony did not disclose the strength of either acid at the time of use, or whether such acids, when so diluted, were capable of discharging muriatic acid fumes or nitric acid fumes. Further the testimony did not disclose that the deceased was subject to fumes by inhalation or otherwise, nor that the "disease was peculiar to and due to the nature of the employment."

Ambiguity Is Pointed Out

The last half of section 2 has been ambiguous. The supreme court in the insertion of the word "or" has clarified the ambiguity and as a result thereof established three general classifications of industries under section 2, being:

1. "Those who are engaged in an industry using lead derivatives or paris green."
2. "The manufacture of brass or the smelting of lead or zinc."
3. "Any process of manufacture in which poisonous chemicals, minerals or other substances are used in harmful quantities or under harmful conditions."

The question now arises as to whether such classifications in any way modifies section 1 and the diseases that arise thereunder or whether such classification adds diseases to section 2 which were heretofore under section 1. This decision does not enlarge section 2 by adding new types of diseases, nor on the other hand, does it take from section 1 those

types of diseases that may arise, or were heretofore generally classed as being under section 1. To fully understand the decision, one must understand the intent and object of the legislature in the amendment of section 2 made in 1921, and the amendment made in 1923, and likewise understand the manufacturing conditions in the certain industries included in section 2 prior to 1921.

Many Cases in Courts

There were then in the courts numerous cases of diseases of a poisonous nature, contracted from lead and chemicals, or from some of the derivatives, used or made in either one or both of the industries mentioned.

To correct this condition and place such cases under the administration of the industrial act, the legislature in 1921 amended section 2 and in such amendment enumerated the industries from which the then pending cases of industrial poisons principally arose. It is the rule of statutory interpretation that where certain industries are enumerated, all other classes are excluded.

The supreme court passed upon the validity of the amendment of 1921 on Feb. 21, 1923, in Kelly vs. St. Louis Smelting & Refining Co., 307 Ill. 367, and found such amendment void. The court did, however, in such case comment on section 1 and section 2, and such comment now serves to enlighten and explain the attitude of the supreme court as expressed in Burns vs. Industrial Commission. On page 371 of the Kelly case, the court says: "We are not left to speculate, however, with respect to the legislative intent. The act of 1921 does not purport to cover employees engaged in occupations other than those described in section 2 of the occupational disease act which relates to certain lines of industry which are declared 'especially dangerous to the health of employees.' This section only purports to cover those employments which require the using and handling of a variety of lead preparations in harmful quantities, or under harmful conditions and where brass is manufactured or lead or zinc is smelted. Section 1 of the act covers every kind and character of employment where it 'may produce any illness or disease peculiar to the work or process carried on, or which subjects the employee to the danger of illness or disease incident to such work or process, to which employees are not ordinarily exposed in other lines of employment.'"

Distinction Is Cited

Further, on page 372, of the Kelly case, the court states "there are many occupational diseases which may be contracted which are covered by section 1 and which are without the limits of section 2. For instance, a workman engaged in handling sewage or in cleaning sewers or cesspools, or in mining, or in handling hides or other by-products of animals, or in setting or distributing type, or in painting, decorating or sign writing might, under the peculiar facts of the case, be held to be employed at work which had produced an illness or disease peculiar to the work to which employees are not ordinarily exposed in other lines of employment, and thereby come within the terms of section 1, but such employees would certainly not come within the terms of section 2, because such employments are not generally considered to be especially dangerous to the health of employees by reason of the use of harmful quantities of poisonous chemicals or minerals."

Such opinion also states "that it is clear therefore that the legislature intended that section 13 of the original act should be and remain in full force

(CONTINUED ON PAGE 31)

NEWS OF THE COMPANIES

Substantial Gains Are Made

American States Assets Increase \$150,000 in Half Year, Surplus Rises to \$400,000, Report Shows

Assets of the American States of Indiana increased during the first six months of this year by \$150,000 to a total of \$1,174,688, Secretary-Treasurer Edward Gallahue reported at the July meeting of the board. Surplus to policyholders was increased to \$400,000, after increasing unearned premium and loss reserve \$100,000 and setting up a contingent reserve of \$17,965. The contingent reserve was sufficient to adjust all securities to actual market value as of July 30, 1934.

The company continued to follow a conservative investment policy and practically all new funds were invested in United States government bonds. As of June 30 the American States had cash and United States government bonds of \$668,642, which is equivalent to more than 100 percent of the insurance reserve.

During the first six months of this year net premiums amounted to \$519,805, increase 26 percent as compared with the same period in 1933. Net profits from underwriting were about 7 percent of premiums earned or \$30,730. The company is thus in most sound financial condition and is making splendid progress.

Appeals National Surety Order

LINCOLN, NEB., Aug. 8.—State Auditor Price has appealed to the state supreme court from a lower court order that he pay the National Surety Corporation the \$5,000 premium on State Treasurer Hall's \$1,000,000 bond executed

18 months ago by the National Surety Company. The legislature directed that the warrant issue to the insurance commissioner, to be held by him to satisfy unpaid claims against the old company. The auditor claims the trial court was wrong in holding that that provision in the appropriation bill was void because it impaired the obligation of a contract.

Big Increases Are Shown By Employers Reinsurance

The Employers Reinsurance has issued its mid-year statement, showing assets \$9,969,983, a big increase from the figure of \$8,372,156, reported as of Dec. 31, 1933. There is an increase of about \$100,000 in cash, \$400,000 in United States government bonds, \$200,000 in state, county and municipal bonds and \$160,000 in stocks. There is a decrease in mortgage loans and real estate. There is an increase in premiums in course of collection under 90 days from \$150,028 to \$1,133,325, indicating a tremendous increase in business.

Loss reserve amounts to \$3,241,505 and premium reserve \$2,728,393, as compared with \$1,691,033, again indicating the big increase in premiums. Capital amounts to \$1,500,000 and net surplus is the same figure.

Goes to Georgia Casualty

COLUMBUS, O., Aug. 8.—The receiver of the International Reinsurance is not entitled to collect the interest on the deposits made in Ohio by the Georgia Casualty. Attorney-General Bricker holds. The Georgia Casualty was reinsured by the Public Indemnity, which was reinsured by the International Reinsurance. The attorney-general rules that the interest on the deposits, after

a company is in receivership, becomes part of the deposit for the benefit of Ohio claimants of the Georgia Casualty.

United Pacific Casualty Figures

The United Pacific Casualty of Seattle in its July 1 statement shows total resources \$1,519,514, capital \$400,000, surplus \$200,000 and contingent reserve \$60,407. The liquidating value of the company's shares was \$205, an increase of \$28 the first half of this year. Admitted assets showed an increase of \$177,068 for the year.

Central Surety June 30 Figures

Substantial increases in admitted assets, reserves and surplus are shown in

the semi-annual statement of the Central Surety of Kansas City. In the year ended June 30, cash and bonds increased \$170,112, admitted assets increased \$130,529 and surplus \$106,842. Market value of bonds as of June 30 was in excess of statement value. The company owns no stocks.

Capital June 30 was \$1,000,000, surplus \$621,492 and admitted assets \$4,546,766.

C. C. Hewitt Is Bereaved

C. C. Hewitt of the agency firm of Boit, Dalton, Church & Hamilton of Boston is bereaved by the death of his mother, who was a resident of Chicago. Mr. Hewitt resigned recently as vice-president of the National Fire.

ACCIDENT AND HEALTH FIELD

Committees Are Announced

President Manzelmann of H. & A. Conference Names Special Manual Group, Makes Regular Assignments

Committee appointments for the coming year have been announced by George F. Manzelmann of the North American Accident, president of the Health & Accident Underwriters Conference.

The special committee on manual simplification, which is to work out and submit at the December meeting a plan for reducing the number of occupational classifications in the conference manual, is composed of H. R. Gordon, executive secretary of the conference, chairman; R. S. Hills, Massachusetts Bonding; O. F. Davis, Abraham Lincoln Life; Ralph Wood, North American Accident, and J. M. Powell, Loyal Protective. The subject of manual simplification was one of the important topics taken up at the

annual meeting of the conference and the work of this committee will be watched with especial interest.

Chairmen of the standing committees of the conference are: Auditing, H. J. Weaver, Central Casualty; constitution, Ben Haughton, International Travelers Assurance; education, J. W. Blunt, Monarch Life; entertainment, O. F. Davis, Abraham Lincoln Life; grievance, O. L. McCord, Illinois Mutual Casualty; legal, Thomas Watters, Jr., Inter-State Business Men's; legislative, J. W. Scherr, Inter-Ocean Casualty; Manual, R. S. Hills, Massachusetts Bonding; membership, Ralph Rowland, National Casualty; memorials, J. S. Irish, Iowa State Traveling Men's; program, Dr. J. R. Neal, Abraham Lincoln Life; resolutions, W. T. Grant, Business Men's Assurance; statistics, A. R. Thompson, Federal Life.

Health Association Heads Held

LOS ANGELES, Aug. 8.—With charges of conspiracy to steal dismissed

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HOME OFFICES • BALTIMORE

by the court, Benjamin Balos and J. W. LeSuer, former officials of the International Travelers Health Association were bound over for trial by Municipal Judge MacCoy, on complaints charging conspiracy to operate an insurance company without a state license. They were accused of failing to obtain a license before selling policies in their concern and of misappropriating premium payments by policyholders. The second charge, Judge MacCoy ruled, was not proved by evidence.

Maryland's New Policy

The Maryland Casualty is issuing a new accident policy Form EXD, coverage of which is the same as for the "expense accident" policy with the addition of an accidental death benefit. It may be sold to males and females, including housewives and other persons not regularly employed. The premium for men, class A, for \$5,000 principal sum and \$500 reimbursement is \$23.50 and for women \$20. The maximum limit is \$20,000 principal sum and \$3,000 reimbursement.

Life Indemnity Still Available

A statement was recently published that the Massachusetts Indemnity had ceased writing life indemnity for sickness. The company states that while concentrating on development of measured or specified amounts of disability insurance, it still has the life indemnity feature available.

Analyzes Home Accidents

The Aetna Life finds that in the 12 years from 1922-33 it has paid 28,314 claims under personal accident policies for home accidents alone. The total number of personal accident claims paid during the period was 147,063. About 41 percent of the home accidents are due to falls. About 14 percent are cuts, 9 percent collisions with persons or objects, 5 percent of the claimants were

Killing of Gunwoman by Officers Called Accident

DALLAS, Aug. 8.—The death of the notorious Bonnie Parker, southwestern gunwoman who was shot to death with her companion, Clyde Barrow, by officers in Louisiana some weeks ago, was an accident. Her mother so contends in a suit against the National Life & Accident. Bonnie was riddled with some 40 bullets as she reached for a gun when she and Barrow were ordered to stop their car and surrender. The company paid the face value but the policy provided for double indemnity in case of death by accident and the mother says the killing of the gunwoman by the officers was an accident.

struck by falling objects and 4 percent were injured by burns.

The conclusion is that most accidents are due to human carelessness. Only an insignificant number can be attributed to such causes as explosions, fire in burning buildings, lightning and electricity where the individual has little or no control over his welfare. About one-third of the falls were on stairs or steps, about one-sixth on rugs or slippery floors and one-ninth on walks or uneven ground.

Can't Cover County Cars in Ohio

COLUMBUS, O., Aug. 8.—Attorney general Bricker held that a board of county commissioners can not legally enter into a contract and expend public moneys for payment of premiums on public liability or property damage insurance on county-owned motor vehicles. He says if a county does take out such insurance, there could be no liability against the insurance company, as a county is not liable in damages for the negligent operation of county-owned vehicles.

WORKMEN'S COMPENSATION

Oklahoma Situation Studied

Companies Fear to Issue Death Coverage When Disability Risk Is Carried by State Fund

NEW YORK, Aug. 8.—Under the Oklahoma law, while the amount recoverable as compensation by injured workers is expressly set forth, no provision is made for death benefits. Employers taking compensation through the state fund are therefore compelled to secure insurance against death claims from private carriers. The extent to which such insurance should be given is engaging the attention of executives. The feeling is that only employers fearing that they are particularly susceptible to death losses would seek the coverage.

The compensation experience in Oklahoma for several years has been such as to force several companies, including some of the leaders, virtually to quit writing the line in the state. One conservatively managed office has had a 200 percent loss ratio on compensation in Oklahoma.

Big Loss to Self-Insurer

A blast in the Stonega Coke & Coal Co., mine No. 3, near Derby, Va., resulted in the death of eight miners and nine others were trapped. The report is that the Stonega Coke & Coal Co. had qualified with the state under the Virginia compensation act as a self-insurer several years ago and consequently carried no insurance of record.

Law Not Extra-Territorial

DES MOINES, Aug. 8.—An employee who is hired in Iowa for work in territory entirely outside of the state does

not come under the Iowa compensation act, A. B. Funk, industrial commissioner, holds. He dismissed the claim of Mrs. W. J. Lines of Cedar Rapids, who sought compensation for the death of her husband, salesman for a Cedar Rapids company, in an automobile accident in Wisconsin.

Undulant Fever Compensable

MILWAUKEE, Aug. 1.—The Wisconsin industrial commission holds undulant fever, also known as Mediterranean fever, an occupational and compensational disease under the Wisconsin compensation act. The decision was made in the case of two men employed by the Plankinton Packing Co. of Milwaukee. Liability has been denied by the packing houses heretofore, because it was claimed that the disease could be contracted outside of the plants. Several cases are now on their way to the supreme court.

The Kansas industrial commission recently took the opposite view and held the disease not compensable.

Assistant Manager for State Fund

Eugene Mapel has been appointed assistant manager of the Oklahoma state fund. Chester Napps is manager, taking charge when the fund went into effect, a little more than a year ago.

Jones Elected Director

R. E. Jones, special agent Buckeye Union Casualty operating out of Columbus, O., in large territory, has been elected a director. He has been connected with the company many years, first in the underwriting department. The Buckeye Union board declared the regular 4½ percent semi-annual dividend.

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FIDELITY AND SURETY NEWS

Forgery Changes Beneficial

New Sliding Rate Scale Obviates Under-insurance, Protects Against Possible Catastrophe Hazard

The more important types of insurance are coverages that protect against what may prove to be a catastrophe loss. The depositors forgery bond and similar forms of forgery coverage are more and more becoming recognized as falling in this class. Many large losses have occurred in which even where forgery coverage was carried, the amount of insurance was insufficient.

One of the main causes of this under-insurance was due to the method in computing rates; that is, regardless of the amount of coverage purchased, the rate remained the same.

Recently the Towner Rating Bureau promulgated rates on a sliding scale. The first reduction in rates applies on amounts in excess of \$10,000 liability. There is also an additional reduction on amounts in excess of \$25,000, and a still further reduction for amounts in excess of \$75,000. On bonds in excess of \$10,000, there is also a reduction in rates for extended coverage.

Results in Business Increase

The National Surety which writes a large volume of forgery business and subscribes to Towner rates, reports enthusiastic acceptance of these rate changes from brokers and agents, who in many instances have considerably increased the amount of coverage carried by their clients and also written new business in large amounts.

This change undoubtedly will increase the volume of forgery business written, as well as enable concerns that carry large bank balances adequately to protect themselves against this major hazard.

City Quits State Deposit Fund

MILWAUKEE, Aug. 8.—The state fund created by the LaFollette administration several years ago to insure public bank deposits, to replace the protection previously furnished by private bonding companies, has cost the city of Milwaukee \$132,000 in payments to the state depository board.

With approximately \$3,500,000 cash on hand, the council finance committee has decided to rent a safety deposit box to keep the money instead of having it on deposit in banks and paying the 2 percent tax on daily balances to build up the fund guaranty. For current use the city will retain only \$100,000 on deposit. The new plan would cost only the yearly rental of a deposit vault and about \$1,290 for burglary and holdup insurance.

While the city has paid into the state fund \$132,000, it has received only \$37,000 from the state board on claims of \$62,000 which the city had on deposit in various closed banks.

Forgery Discounts Allowed

The United States Guarantee has been authorized by the Virginia corporation commission to write forgery bonds and depositors' forgery bonds at certain discounts when approved check writing machines and safety paper are used. In amounts ranging from \$10,000 to \$20,000 discounts of 17½ percent are allowed. Over \$20,000 discount of 15 percent is allowed. Smaller discounts are permissible under \$10,000.

Expensive Contract Bond

NEWARK, Aug. 8.—The Aetna Casualty & Surety recently wrote a \$230,000 contract bond covering completion of a new high school building in Pompton Lakes, N. J. The contractor failed but

the board of education permitted the contract to be relet at the request of the company. The final cost of construction exceeded the original contract by \$10,000, there was also a \$6,000 penalty for the reason that the job was not completed on time and in addition the company had to pay \$14,000 unpaid labor and material bills.

"Tour Agencies" Must Be Covered

DETROIT, Aug. 8.—The city council has passed an ordinance requiring travel agencies, tour organizers and operators of vehicles for transporting passengers to provide \$1,000 surety bond and carry full liability coverage for all passengers. The ordinance is designed to curb the "share expense" tour agencies.

Big Award Against F. & D.

DETROIT, Aug. 8.—An award of \$977,500 in favor of Oakland county against the Fidelity & Deposit was made by W. S. Sayres, master in chancery.

It is subject to review by a federal judge.

The company started suit to determine its liability as surety on depository bonds executed by various banks to secure deposits of county funds. It contended that certain funds deposited by the county were not covered by the depository bonds, including proceeds from certain drain district and road bonds, but the master ruled against it on that point.

Can Recover From Bank

The National Surety, in the Minnesota supreme court, obtained judgment against the Midland National Bank & Trust Co. of Minneapolis for the amount that was paid out under a fidelity bond on the ground that the bank honored improperly drawn checks.

The treasurer of a common school district deposited in the Midland National Bank funds of the district held by him as treasurer. The bank knew that the funds were those of the school district. It was agreed when the deposit was made that money should be withdrawn on checks signed by the treasurer in his name with the designation, "Treas." attached. He withdrew funds by checks signed by his name individu-

ally and used them for purposes other than school district purposes. The court held the National Surety can recover from the bank.

Towner Beer Bond Rate \$10

Non-affiliated companies are offering to write \$500 beer bonds in Omaha for \$7.50. The rate of the Towner bureau is \$10, not \$20 as erroneously reported in some circles.

Shows Need for Adequate Limits

Illustrating the necessity for purchasing burglary insurance in adequate limits, the Travelers finds that 308 burglary policyholders suffered losses totaling \$1,136,775, while the limit of their insurance was \$625,050. Thus the insurance covered only a little more than half of the average loss.

The Travelers points out that having some insurance is better than none, however. About four out of every five people who are eligible for residence burglary insurance do not carry any of this type of protection.

The Seymour Trust Co., Seymour, Conn., has purchased the agency of the late C. J. Atwater, which has been consolidated with the bank's insurance department.

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Advantages of a Standard Auto Policy Are Cited

VIEWS OF HARLAN JUSTICE

West Virginia Official Feels Rate Jurisdiction Unnecessary If Use of Uniform Contract Is Required

Harlan Justice, deputy insurance commissioner of West Virginia, makes some interesting observations as to the standard automobile public liability policy. He recalls that the West Virginia standard automobile policy was prescribed and submitted to the companies Jan. 3, 1934, and became effective on all policies issued on or after March 15, 1934. The statement that West Virginia has jurisdiction over automobile insurance is erroneous. One of the reasons for prescribing the standard policy in that state was the fact that the department has no jurisdiction over automobile property damage and liability rates, and this has been so decided by the West Virginia supreme court.

"The turmoil surrounding this class of business as existed prior to March 15 of this year," he states, "is readily understood when it is explained that there has been no supervision and regulation of rates in this state, and no standard provisions in policy forms, endorsements, riders, and other attachments. There were all sorts of rates in existence, especially where companies would make reductions from bureau rates by eliminating some important coverage in the policy contract. It was, therefore, our opinion that if policy coverages were standardized, that over a period of experience the rates would adjust themselves. We are convinced that departmental supervision of rates for this class of business is unnecessary, if all companies are required to use standard coverages in their policy contracts."

"The prescription of this standard policy has relieved the minds of the insurance buying public from much worry and misunderstanding concerning their automobile coverages, and it is our opinion that an adoption of a standard automobile property damage and liability policy by the companies for the United States would be one of the greatest improvements that the business has ever seen. So far it has proven to be true in West Virginia. I might state further that this department is anxious and willing to cooperate in the adoption of a standard form throughout the United States."

Realtors Seeking U. S. Investigation

(CONTINUED FROM PAGE 1)

on the average produces more than \$500,000,000 in premiums for insurance companies.

Real estate boards throughout the country are presenting a united front in their effort to prevent encroachments on what they consider to be the privilege of their members to write insurance. In a number of states bills have been introduced in legislatures to restrict insurance selling to full-time insurance producers.

The real estate boards are not opposing any standards of ethics and proper conduct of the business which insurance agents seek to set up and maintain, a spokesman for the National Association of Real Estate Boards declared in Chicago this week. The realtors are heartily in accord with every effort for an orderly and satisfactory conduct of the insurance business.

It is, however, felt that there should not be and is not any real conflict of interests between insurance agents and realtors insofar as insurance is concerned.

It is pointed out that many realtors

have conducted substantial insurance departments for long periods; that some have come to be identified as prominent insurance men, as well as realtors. A large number give a high type of insurance service. They have studied the business. They sell something more than merely fire insurance in conjunction with real estate mortgages which they negotiate. The National Association of Real Estate Boards seeks only to preserve this vested interest of realtors in the insurance businesses they have built up, to maintain the status quo.

Are Recognized Elsewhere

In such centers as Chicago, where realtors long have been recognized under board rules as having a place in insurance, no difficulties ever have arisen between the two groups, and agents and companies look upon the realtors' insurance production as highly desirable.

Real estate-insurance men in Chicago, as is generally known, for the most part are rated as class 2 members of the Chicago Board, being known as sub-agents. Their status in insurance is not questioned. Their business is eagerly sought by agents. Under the present state qualification law they can be and are licensed. Under proposed amendments to the law, realtors with established insurance businesses who previously have been licensed would receive renewal licenses without question, except upon complaint of bad practices, for which hearing would be granted. New applicants among the realtors under the plan would be required to pass a written examination on insurance.

Rules on Mutual-Stock Plan

BALTIMORE, Aug. 8.—Under ruling by the attorney-general of Maryland, the commissioner has authority and power to adopt regulations for protection of policyholders where, in his opinion, these rights are not properly protected in a company's charter. Commissioner Walsh requested the opinion in connection with formation of the Eastern Mutual Casualty, which proposes to specialize in taxicab and commercial motor vehicle risks. The opinion recites that while the company has many characteristics of a mutual, it is also contemplated in the charter to issue stock. Heretofore companies of this "hybrid character," the ruling stated, have not been licensed in Maryland. However, the attorney-general expressed opinion that the law permits formation of a mutual and stock company combined. There is in the law no further provision as to requirements or regulation. The commissioner therefore is urged to assure himself that the company's policyholders will be satisfactorily secured before license is issued. Nothing is said in the charter about relative rights of policyholders and stockholders in event of dissolution of the company, the attorney general said, and these should be clarified.

Takes Over Southern Ohio

The Beacon Mutual Indemnity of Columbus has appointed H. S. McSavane of London, O., general agent for southern Ohio. He will have charge of about 200 agents, his office being located in London. The London agency will be in charge of L. H. Kling. The Beacon writes automobile full cover.

Gas Tax Bond Problem

The difficulties that have developed in a number of states because of legislation requiring the posting of surety bonds to guarantee payment of gasoline taxes have now become evident in Texas. A law became effective June 10 requiring all independent oil producers to post a minimum bond of \$2,000 to guarantee that the government would get its 1 cent per gallon tax on all gasolines and motor oils produced. Some of the smaller producers are feeling the pinch because they were regarded as poor risks by the surety companies.

Says Disease Act Is Not Broadened

(CONTINUED FROM PAGE 25)

and effect with respect to all occupational diseases except those covered by section 2 of the act.

As the result of such decision, the legislature immediately corrected the errors pointed out in the amendments of 1921 by the supreme court, and passed the amendment of 1923, but in doing so, created an ambiguity, which the supreme court in the Burns case corrected by the insertion of the word "or".

The supreme court prior to the Burns case, in the First National Bank vs. Wedron Silica Co., 351 Ill. 560, again followed the general rule of interpretation of section 1 and 2 as previously interpreted in the Kelly case and stressed the question of hazardous industries and those that are especially or extra hazardous industries. There it speaks of the amended act of 1923, page 566, of the Wedron Silica case, "we are warranted in stating that the legislature passed and amended the act in question because society recognized the economic and social need therefor. In view of the conditions then prevailing in industry as regards the different varieties of occupational diseases and the common knowledge that certain industries are much more dangerous to the health of persons engaged therein than others. In 1911 the available medical and industrial knowledge concerning occupational diseases was not especially voluminous or precise. In 1923, 12 years later, the legislature further emphasized the differences between the industries it had previously catalogued in sections 1 and 2 by reaffirming its belief that the industries mentioned in section 2 were especially hazardous to health." And on page 567 of the Wedron case, further states "since it left section 1 untouched by the amendment of 1923, and in no wise changed the mechanics of recovery for occupational diseases arising under it, the legislature must have deemed that prevailing conditions required no further changes. Whether the increase of medical and industrial knowledge concerning silicosis would warrant the transference of appellant's business from section 1 to section 2 of the occupational diseases act, is for the legislature and not for this court to say."

Appellate Court Decision

The general trend of judicial interpretation of section 1 and 2 is further strengthened by the appellate court in the decision filed July 16, 1928, in Montagne vs. Belleville Enameling & Stamping Co., 249 Ill. A., 567, being a silicosis case, the defendant filed a plea to the effect that they were engaged in the business and operation of an enameling plant in which it carried on the process of manufacture and labor in which certain lead products were used in harmful quantities and that therefore the injury arose out of and in the course of employment within the meaning of section 2 of said occupational disease act. On page 571, the appellate court stated "there is no contention nor any proof in the record tending to show that appellee's ailments were the result of lead poisoning. Silicosis or sand-blast-er's disease is not peculiar to the nature of any occupation mentioned in section 2 and the proof in the record fails to sustain appellant's contention that appellee's ailment was due to the handling of those poisonous chemicals, minerals or other substances mentioned in section 2." Therefore, from the general trend of this decision where an industry which has to do with the "handling and use of poisonous chemicals, minerals and other substances," there could, of course, arise a poison case which would strictly be under section 2. There could also, under certain conditions and facts, arise in the same industry a disease which would be wholly under section 1. It is therefore safe to conclude from judicial interpretations as shown by the Burns case which does not add to sec-

tion 2 any of the diseases that were not formerly considered as being peculiar to section 1, being all occupational diseases except lead poisoning or its derivatives and chemical poison. That section governs and has to do only with the industries or manufacture of lead, lead derivatives, paris green, the manufacture or smelting of lead or zinc, "or" the process of manufacture in which poisonous chemicals, poisonous minerals or other poisonous substances are used in harmful quantities or under harmful conditions, and the poisonous diseases that arise therefrom.

Auto Production Drive Is Planned

(CONTINUED FROM PAGE 1)

model. It is true that the cost of collision insurance on older cars is far less than heretofore, but there is no basis for making a real comparison.

N. Y. GIVES APPROVAL

NEW YORK, Aug. 8.—As soon as the National Automobile Underwriters Association decided upon Aug. 6 as the date when its revised rates would become operative, the New York department, with which the proposed tariff had been filed some weeks previously, issued its analysis, setting forth the effect of the rate changes in the five different territories in the state.

For the state as a whole there will be a decrease of 5.3 percent in the fire rate and 12.3 percent in the theft respectively so far as passenger cars are concerned, making a total premium reduction of approximately \$290,000.

There is a revised classification of commercial cars, a distinction having been made between long and short distance hauling machines, with a new special collision table replacing that known as the "interurban trucking collision table." So far as cars not engaged in long hauling and trucking are concerned the rate level is unchanged.

In its study of company experience consideration was given by the department to the application of the automobile dealers' code as adopted under the National Recovery Act.

The experience of the stock fire companies as supplied by the automobile association, shows that for the fiscal year Sept. 1, 1932, to Aug. 31, 1933, auto fire premiums were \$1,050,814, losses \$422,078; auto theft premiums \$1,926,543, losses \$802,315, collision \$782,436, losses \$336,492.

Sanction has been given by the New York department to the issuance of differential rates by nine stock companies and one automobile writing mutual.

SAM MORRISON OBJECTS

IOWA CITY, IA., Aug. 8.—Sam T. Morrison of Iowa City, national councillor of his state, has issued a statement contending that the new "fine print 162 page automobile manual" should be scrapped.

"All this conglomeration of highly technical automobile statistics has nothing whatever to do with the proper insuring of an automobile by the ordinary local agent," he states, "and it will take a good half hour to find a rate to quote a customer over the phone, also all this specialized data will ruin the automobile business of orthodox stock companies."

"The agents," he continued, "had been promised a simple competitive rate chart for five years and now it is a Chinese puzzle that no one really understands. Until after the Iowa convention at Council Bluffs I do not think that Iowa agents should pay any attention to this printers' paradise, as no two people could possibly agree on an automobile rate and will merely result in endless correspondence. All this is merely the result of the depression and another 'New Deal' symposium, and anxiety wearing itself out. What agents actually need is more business, not a course in psychology."



This is touring time . . . which is selling time for Automobile insurance.

The wise man will have the Ace Card of Maryland automobile protection ready to play anywhere, at any time, in case of an accident.

Every holder of a Maryland automobile insurance policy gets a Maryland Automobile Service Card. It is an introduction to Maryland's "10,000 agents everywhere" . . . the one thing most helpful in the confusion and excitement of the moment. At instant command are a Maryland agent and claim man anxious to protect the insured's interests; who know what to do and what to say . . . authorized to post bond if authorities insist on holding person or machine.

In short, here is all the trained backing of a great company whose satisfying performance over 36 years is measured by more than \$282,000,000 paid in claims. *Sell Maryland Protection.*



**MARYLAND
CASUALTY
COMPANY**
Baltimore

SILLIMAN EVANS - President • F. HIGHLANDS BURNS - Chairman of the Board

Opportunities
for Salesmen in

**48
States**

**Income
Insurance
Specialists**

• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

Thirty-Two Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY
READING, PENNSYLVANIA

• Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

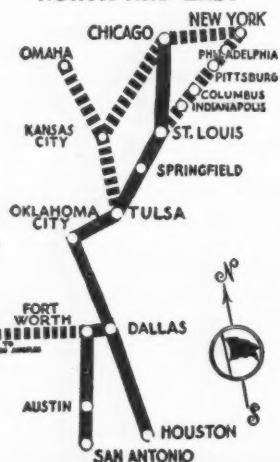
Incorporated 1902

Supporting the American Agency System ever since



Takes another step forward in the interest of aviation by serving the territory from the Gulf to the Great Lakes with the utmost in speed and comfort.

**FASTEST SERVICE
NORTH AND EAST**



Bowen Air Lines

**NICOLLET
HOTEL
MINNEAPOLIS**

*The
Leading Hotel
of the
Northwest*

Six hundred rooms
Fire-proof throughout
"New deal" rates
Famous cuisine
Convenient location
Hospitality you'll like

W. B. CLARK, MANAGER

O. L. T. Rates Are Generally Raised

(CONTINUED FROM PAGE 23)

perience amounting to approximately 22 percent, while the loss ratio indicated by the latest available year is approximately 56 percent. This is higher than the allowable loss ratio of 51 percent which is used as a basis for the determination of adequate rates.

While various reasons may be assigned for the marked increase in loss costs under O. L. & T. covers the country over, the most important, Mr. Beha states, is increased public claim-mindedness, which has been noticeable in other lines of casualty insurance, and particularly with respect to workmen's compensation.

"This," Mr. Beha says, "has resulted partially from the depression which the country has passed through, partially from the increased liberality of courts in making awards in liability cases and the publicity given such awards, partially from the operations of ambulance-chasing lawyers and unethical doctors, together with many less tangible causes.

"The continued concentration of population has produced an increased congestion in stores which has resulted in the multiplication of tripping and falling accidents. This is most manifest in the large cities but also affects the remainder of state territories because the concentration of population has affected small cities as well as large.

"The revised manual rates have been so calculated as to produce a rate level indicated by the experience to be adequate for the standard limits portion of the business. Although the net effect of these changes in manual rates is an increase in the rate level, this increase is being tempered to a considerable extent by a substantial reduction in the charges for excess limits coverage. Thus the individual risk which carries excess limits will not receive the full increase indicated by the change in manual rates."

Class of Risks Affected

The new rates affect risks such as apartments and tenements, mercantile and office buildings, churches, clubs, hotels, schools and stores written on an area and frontage basis. They apply to all sections of the country with the exception only of apartments, tenements, boarding and rooming house risks in Greater New York, for which rates were recently revised.

Both increases and decreases are involved in the changes, and are based on actual developed classification experience within each territory wherever volume has been of sufficient size to justify basing rates on experience indications.

A number of new rate territories have been established because of continued departure of experience indications from the existing alignment of territories. Most important is breaking down of the large "remainder of country" territory into two groups of states, which was done in recognition of a marked differential in rate level indicated by the experience. The result in all instances is to bring individual rates more in line with local experience.

Use Five Years' Experience

"The revision of area and frontage rates is based on experience covering a period of five years, during which total developed area exposure for the entire country amounted to more than 17,500,000 square feet and total frontage exposure to more than 160,000,000 linear feet."

An important change is announced respecting the writing of policies for a period of three years for owners, landlords' and tenants', theater and elevator liability risks in New York. For a number of years it has not been permissible under manual rules to write three year policies on any such risks located in Greater New York with the exception of residence, estate, farm, dog, golfers', personal, sports, saddle animal and teachers' liability risks. The new rule

permits writing three year policies throughout the state for O. L. & T. risks which do not qualify for experience rating or for which classifications are not subject to premium adjustment on audit, and also for theater and elevator risks.

Inaugurate Term Rating

A rate discount of 10 percent for such policies is permitted if the entire three-year premium is paid in advance and a discount of 5 percent if premium payment is made on a 50-30-20 basis. The rule requires endorsement of three year policies in New York State to provide for adjustment of premium for coverage during the last year or last two years of policy period on basis of revised manual rates which may be promulgated during the policy period. Such premium adjustment is not to be made if the difference in premium involved is less than 10 percent of the premium computed at the original rates in the policy, or in any event less than \$2.50.

Another interesting and important change affecting the classification procedure for manufacturers' and contractors' liability insurance also has been made. A complete list of classifications applicable only to this form of coverage has been added to the manual and applies countrywide without exception. Formerly, the classifications in the compensation and employers' liability manuals were used for manufacturers' and contractors' liability insurance. The change reduces the number of code numbers designating the classifications from 600 to 196.

Parleys on Occupational Disease Held in New York

(CONTINUED FROM PAGE 23)

in rates to take care of the cost of having occupational disease liability brought under the compensation act. On July 25, Commissioner Boney wrote to the North Carolina compensation bureau, disapproving that filing. It is Mr. Boney's theory that the supreme court decision was not as sweeping as the casualty people supposed. He contends that the supreme court treated this particular case upon its merits alone and that it did not necessarily constitute a precedent for bringing all occupational diseases under the act.

Heretofore the North Carolina compensation law has not included any occupational diseases.

Fellows Regains Stock

SAN FRANCISCO, Aug. 8.—Associated Insurance Fund, Inc., holding corporation for the Associated Indemnity and Associated Fire & Marine, has regained possession of 76,788 shares of its stock previously acquired by the International Reinsurance when Carl M. Hansen was active. The recovery under a compromise settlement with receivers of the International Reinsurance, is the culmination of extended negotiations between C. W. Fellows, president

Young Man Wanted Sales Correspondence Sales Promotion

Fire insurance organization dealing direct with insured desires to contact young man qualified by education and experience to handle sales correspondence and ultimately assist in preparation of literature, advertising and sales promotion ideas. In outlining qualifications, state age, nationality, affiliations, and approximate salary expected. Address Y-84, The National Underwriter.

WANTED

CLAIM MANAGER for Ohio Branch Office who is also an attorney, and thoroughly experienced in all casualty lines. Salary basis. Address Y-82, The National Underwriter.

of the Associated group, and will enhance the liquidating value of Associated Insurance Fund approximately 80 cents per share.

National Surety Case Is Denied U. S. Jurisdiction

NEW YORK, Aug. 8.—The plea of Superintendent Van Schaick that the Federal court lacked jurisdiction in the affairs of the old National Surety, which is in his hands for liquidation, was sustained by Federal Judge Bryant, who further held that by virtue of an order of the New York supreme court on June 1, directing the superintendent to liquidate the company, title to all its property, contracts and rights of action became vested in Mr. Van Schaick as of that date.

Various creditors had brought action seeking to have the National Surety reorganization brought under the recent amendment to the federal bankruptcy act. Mr. Van Schaick cited the specific exclusion of insurance companies in the corporate reorganization sections of the bankruptcy act.

To Seek Compensation Law

A concerted effort will be made when the Mississippi legislature meets in 1936 to have a workmen's compensation law passed. Mississippi is one of the few states having no such law. The Mississippi chamber of commerce and Jackson chamber of commerce are behind the movement. All previous efforts to have the Mississippi legislature pass a workmen's compensation law have been defeated largely through efforts of ambulance-chasing lawyers.

Named Ancillary Receiver

BALTIMORE, Aug. 8.—Circuit Judge Solter appointed Deputy Commissioner H. A. Joyce of Maryland as ancillary receiver of the Consolidated Indemnity. The order was signed upon complaint filed by the state of Maryland. E. L. Ward and J. K. Bartlett, Jr., were appointed for the receiver.

Actor's Hands Insured

Lloyds of London have insured the hands of Sidney Howard, English actor recently brought to Hollywood to play in American films, for \$100,000. Howard is a pantomimist.

V. T. Brassard, agent at Momence, Ill., died July 20. The agency will probably be operated by his son, Verne T., who has been assisting him.

**BARLUM
HOTEL**

WHERE OLD-FASHIONED
HOSPITALITY AWAITS YOU



**810
OUTSIDE
ROOMS**

Each with tub and shower bath

RATES FROM \$4.00 DOWN

Singles 12-13, 13-14

Double 14-15 and 15

Twin Beds 15

DETROIT



CONVENIENT TO EVERYTHING
IN HISTORIC **BALTIMORE** MARYLAND

One of America's
finest Hotels
with every com-
fort and luxury
at low cost



Expert garage
attendant will
call for and
deliver your
car at the door

A castle of comfort for the traveler in
the very heart of beautiful Baltimore.
Restaurants equipped to serve 5000
people daily. 700 Rooms with Bath, Bedhead
Reading Lamp and Circulating Ice Water.
FROM \$3 SINGLE

LORD BALTIMORE HOTEL



IN PHILADELPHIA

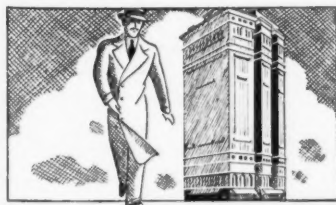
In the Heart of Things

Here one may live graciously, yet inexpensively . . .
where modern luxuries combine with friendly hospi-
tality to assure an enjoyable visit.

You may properly expect precise, thoughtful service
. . . and a cuisine that is one of the enduring traditions
of this world-famous hotel.

CLAUDE H. BENNETT
General Manager

**BELLEVUE
STRATFORD**



Ask The Man Who Stops Here

There is no secret to the popularity of Hotel McAlpin . . . it's just
the fact that this fine New York Hotel offers the utmost in comfort,
convenience and service at most economical cost. You're invited to
enjoy the facilities of Hotel McAlpin on your next visit to New York
. . . and you, too, will be convinced.

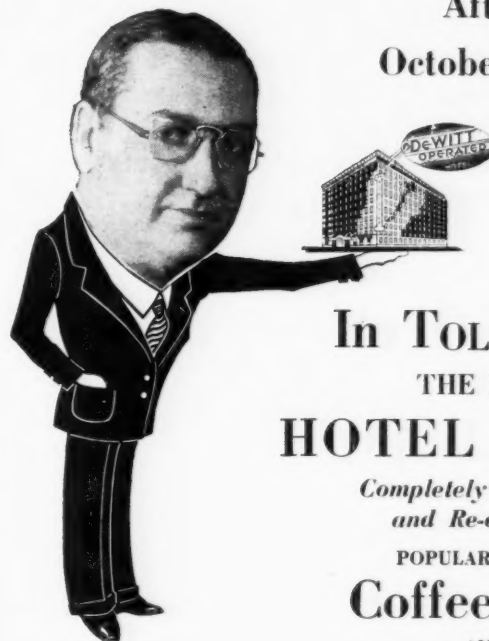
JOHN J. WOSELF, Manager

Single from	Double from	Twin-Bedded from
\$2.50	\$4.00	\$4.50

HOTEL McALPIN
"The Centre of Convenience" **BROADWAY AT 34th STREET**

Theo. DeWitt Says—

After
October 1st



In TOLEDO It's THE NEW HOTEL SECOR

*Completely Renovized
and Re-equipped*

POPULAR PRICED

Coffee Shop

AND

Parisian

Cocktail Bar

Rates from — \$2.50 Single — \$4.00 Double



Greatest Hotel Value in CINCINNATI

700 Rooms
with Bath
and Servidor

\$2.00

per day and up

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\$1.00 PER DAY
EXTRA FOR
ADDITIONAL
OCCUPANT
OF ROOM
•



75 MODERN
SAMPLE ROOMS
WITH BATH OR
SHOWER AT \$2.50
TO \$5 PER DAY

A minute from everywhere . . . All
bedrooms and suites modernized.
..Headquarters for the exclusive
Town Club and Racquet Club . . .
A vital part of Cincinnati's polite
Social Life . . . Successor to Cin-
cinnati's famous old St. Nicholas
Hotel . . . The city's Quality Hotel.

Finest of Fine Foods

Dining Rooms . . . Cafeteria
Lunch Room . . . Coffee Shop
and the renowned Sinton
Cocktail Cafe reborn.

**HOTEL
SINTON
ST. NICHOLAS**

THE EUROPEAN GENERAL REINSURANCE COMPANY, LTD.

Statement United States Branch, March 31, 1934

ASSETS

Government Bonds	\$ 1,623,034.88
Municipal Bonds	303,812.50
Railroad Bonds	3,618,433.30
Public Utility Bonds	3,272,316.37
Miscellaneous Bonds	93,660.00
Railroad Stocks	359,150.00
Public Utility Stocks	1,218,227.50
Miscellaneous Stocks	480,343.33
*New York Insurance Department Valuations	
Real Estate Owned	43,736.85
Mortgages	1,238,167.00
	\$12,250,881.73
Cash in Banks and in Office	513,331.03
Interest Accrued	162,411.15
Premiums in Course of Collection (not over 90 days)	1,593,841.35
All Other Assets	26,804.98
	\$14,547,270.24

LIABILITIES

Reserve for Losses (other than Lia- bility)	\$ 2,811,414.01
Reserve for Losses (Liability and Com- pensation)	3,165,380.21
Reserve for Unearned Premiums	3,702,164.37
Reserve for Commissions	796,332.03
Reserve for Taxes and Other Expenses	248,428.21
*Contingency Reserve	43,551.41
Special Reserve	1,280,000.00
	\$12,047,270.24
Deposit Capital	\$ 850,000.00
Surplus Over Liabilities and Deposit Capital ..	1,650,000.00
Surplus to Policyholders	2,500,000.00
	\$14,547,270.24

*Contingency Reserve — representing difference between
value carried in assets and actual March 31, 1934, market quota-
tions on all bonds and stocks owned.

CASUALTY, FIDELITY AND SURETY REINSURANCE

THEODORE L. HAFF
United States Manager

CLARENCE T. GRAY
Assistant United States Manager

99 JOHN STREET

NEW YORK CITY